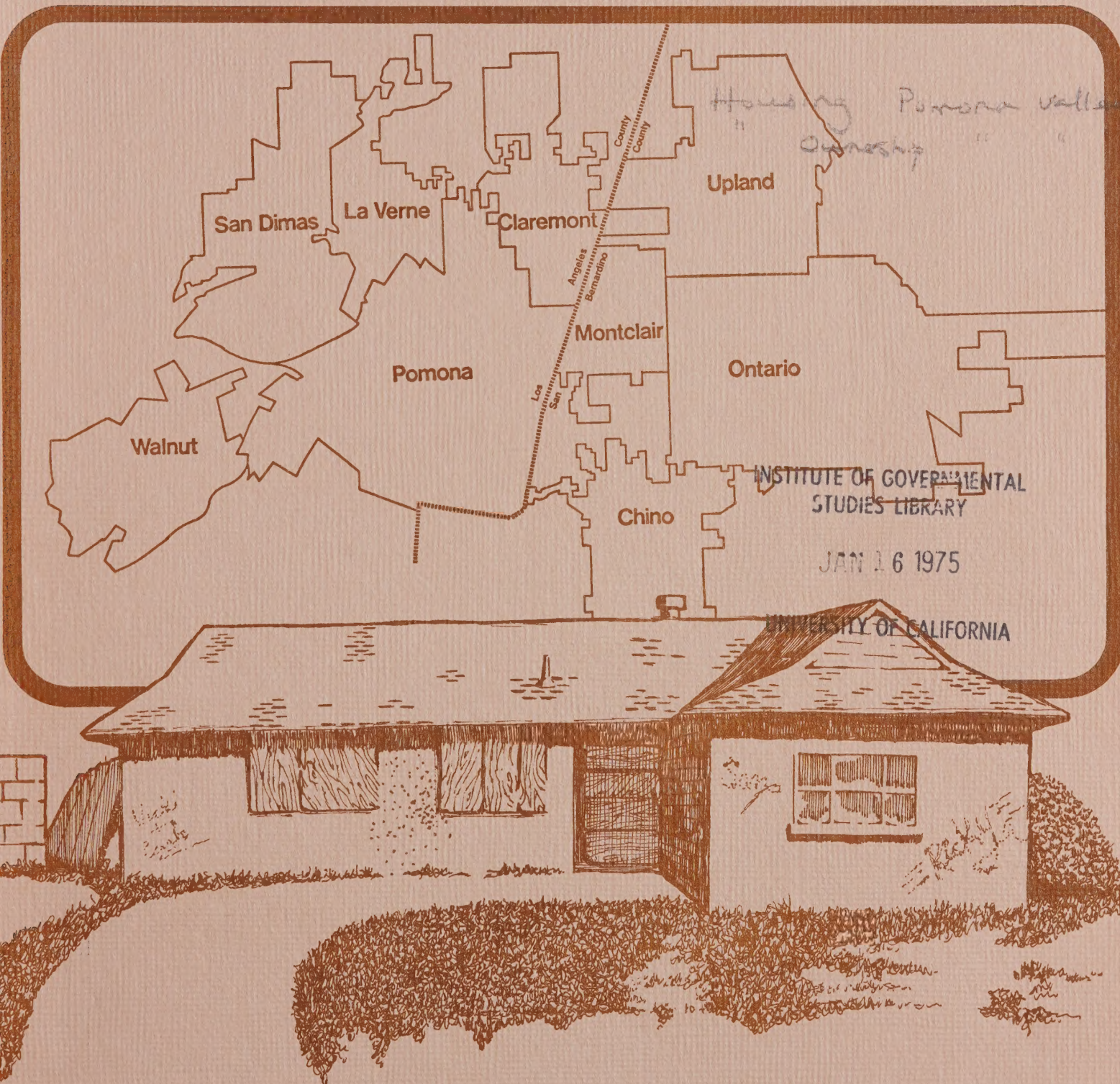


76 00898

The Greater Pomona Valley Mayors' Action Committee On Abandoned Housing



Summary & Recommendation Report

THE
SUMMARY AND RECOMMENDATION REPORT
OF THE
GREATER POMONA VALLEY MAYORS' ACTION COMMITTEE
ON ABANDONED HOUSING

January, 1974

(Revised and Reprinted
February, 1974)

Compiled
by

Sharon Hightower, Planning Director, City of Claremont
Joseph F. Korpsak, Assistant City Administrator, City of Pomona
Maggie O'Donnell, Housing Coordinator, City of Pomona

The preparation of this report was financed in part through an Urban Planning Grant from the Department of Housing and Urban Development, under the provisions of Section 701 of the Housing Act of 1954, as amended.

76 00898

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

FEB 16 2024

UNIVERSITY OF CALIFORNIA

GREATER POMONA VALLEY MAYORS' ACTION COMMITTEE
ON ABANDONED HOUSING

*Charles W. Bader, Chairman,
Councilman, City of Pomona*
*Paul Jones, Chairman, Subcommittee on Resales
Councilman, City of Montclair*
*Angel Martinez, Chairman, Subcommittee on Maintenance,
Councilman, City of Chino*
*Claire McDonald, Chairwoman, Subcommittee on Causes,
Councilwoman, City of Claremont*
*Harold Hayes, Mayor, City of Montclair,
President, League of California Cities*
Abner Haldeman, Mayor, City of Upland
Frank Hungerford, Councilman, City of Claremont
Richard Laughter, Mayor, City of Walnut
Thomas Nuss, Mayor, City of San Dimas
Howard Snider, Mayor, City of Ontario
Ray J. Lepire, Mayor, City of Pomona
Richard T. French, Vice Mayor, City of Pomona
Benjamin Ochoa, Sr., Councilman, City of Pomona
Adrian T. Wright, Councilman, City of Pomona

STAFF WRITING PARTICIPANTS

Gale Carr, Director of Community Development, City of Chino
Jim Coulter, Housing and Zoning Inspector, City of Ontario
Jerrold Gonce, City Administrator, City of Pomona
Terry James, Assistant to the City Manager, City of Walnut
*Richard Kumer, Superintendent of Building and Safety,
City of San Dimas*
Mike Loehr, Community Development Director, City of Montclair

PRINTING

Larry Turner
Irma Stickney

PHOTOS AND CHARTS

Art Rangel

GRAPHICS

Dave Crust



Digitized by the Internet Archive
in 2025 with funding from
State of California and California State Library

<https://archive.org/details/C124882530>

TABLE OF CONTENTS

	<u>Page</u>
<i>Preface</i>	<i>i</i>
I. Introduction and Background of Study.	1
II. Characteristics of Subject Area	3
III. Causes and Consequences of Abandoned Housing.	12
IV. Recommendations for Abandoned Housing	
A. Establishment of a Valley Association of Cities	14
B. Initial Sales	15
C. Property Maintenance	
1. Maintenance of Occupied Property	16
2. Maintenance of Unoccupied Property	18
D. Delinquency, Default, Foreclosure Assistance.	20
E. Resales	21
1. Sale of Repossessed Homes	22
a. Individual Sales.	22
b. Bulk Sales	23
c. Urban Homesteading	24
2. Counseling and HUD/FHA Certification	25
V. Summary of Recommendations	27
VI. Appendix	29

PREFACE

In our Valley, comprised of the West End of San Bernardino County and the Pomona Valley, there are approximately 1,000 houses that have been abandoned. Although a large majority of these houses are located in the City of Pomona, nearly every city in the Valley has at least a few of these abandoned houses (Chino--5; Claremont--30; La Verne--2; Montclair--45; Ontario--50; San Dimas--28; Upland--3; Walnut--7).

The magnitude of this problem and its alarming rate of growth resulted in the formation of a Committee comprised of elected and staff officials from each of the cities involved. This Committee has investigated and discussed the causes of abandonment, the maintenance of houses abandoned, and the disposition of those houses.

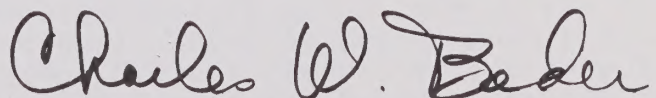
The majority of these houses are currently owned by the Department of Housing and Urban Development (HUD), an agency of the Federal government. Many of the remaining houses are owned by lending institutions whose loans are insured or guaranteed by FHA or VA and are in the process of reverting to Federal ownership.

It is my feeling, and I believe the consensus of the Committee, that the primary causes of this problem are the subsidized housing programs of HUD which enable an individual to obtain a house with no down payment and subsidized monthly payments. Additionally, HUD has been very slow in preparing a house for resale after its abandonment, resulting in a large inventory of such houses.

This is not to imply that cities are blameless in their land planning and other responsibilities that affect residential neighborhoods. But when it is realized that nationwide HUD owns over 250,000 abandoned houses, and in Los Angeles County it owns approximately 7,000 houses, it can be seen that the problem is not unique to this Valley.

An awareness of the problem is required at not only the local level, but also at the County, State and National levels in order for meaningful solutions to be developed.

It is the purpose of this report to focus attention on the problem and its ramifications and to offer to the various City governments and HUD suggestions that might be used to alleviate or solve this critical problem.



CHARLES W. BADER
Committee Chairman

I. INTRODUCTION AND BACKGROUND OF STUDY

Cities in the Greater Pomona Valley (hereinafter referred to as "the Valley") joined together in the summer of 1973 to discuss what appeared to be a mutual concern -- the growing number of abandoned residential dwellings. These homes were clustered in several neighborhoods, blighting the areas, decreasing stability and economic values. In most cases the homes were insured by the Federal Housing Administration (FHA), an agency of the U. S. Department of Housing and Urban Development (HUD), or Veterans' Administration (VA) and had reverted to government ownership through foreclosure.

The Valley is one of the suburban areas that grew dramatically during the 1950's and 1960's and most of its housing stock dates from those years. Abandonment has now moved to these suburbs and is occurring in fairly new single family housing.

The blight of abandoned houses is not unique to this Valley. Nationwide HUD owns over 250,000 abandoned houses. Cities such as Detroit, Baltimore, Wilmington, Philadelphia, Chicago and New York have reported abandonments in the tens of thousands.

A unique situation, however, exists in the Southern California area. Houses are being abandoned that are less than 25 years old, and in some cases less than five years old. These dwellings have been built to contemporary building codes and should constitute a satisfactory housing inventory. In the East, on the other hand, the principal abandonment is occurring in old row-houses and in the turn-of-the-century inner-city structures.

For the purpose of this report, abandoned housing is defined as vacant homes which are not available on the current market. As a consequence of this condition, abandoned houses result. The abandonment phenomenon was first recognized in the Valley in 1972, primarily in the City of Pomona. By 1973 the other cities discovered the problem within their boundaries also, and it was increasing rapidly. At that time there were approximately 1,000 abandoned houses in the Valley. One community had two abandoned houses, three had less than 10, and the others had numbers from 28 to Pomona's 823. Realizing a common problem which could get worse, the cities banded together in the Greater Pomona Valley Mayors' Action Committee on Abandoned Housing (hereinafter referred to as "the Committee"), initiated by the City Council of the City of Pomona in July, 1973.

This regional approach to problem-solving is not new in the Valley. Other cooperative efforts include: Tri-City Mental Health Authority, Pomona Valley Juvenile Diversion Project, Pomona Valley Drug Resources Project, Pomona Valley Regional Bicycle Trail System, El Barrio Park Authority, and mutual fire and police aid. In addition, there continue to be numerous informal cooperative efforts.

While the individual staffs of the above cities had in the past established good working relationships with HUD and the VA area offices, the consensus of the Committee was to attack the problem on still another level. Banding together in a Valley-wide Committee seemed to present an opportunity to exercise political impact. In addition, the cities felt that an action-oriented Committee would indicate the seriousness of the group's intentions and would illustrate the regional scope of the problem.

Consequently, an invitation was extended to the three United States Congressmen who jointly represent the Pomona Valley area to meet on October 19, 1973 to discuss Federal responsibilities and involvement (see agenda and participants of meeting in Appendix). The reports of three subcommittees were presented, covering the subjects of the causes, resale and maintenance of abandonments. In attendance at this meeting were Congressman Jerry Pettis, representatives from the offices of Congressmen George Brown, Jr. and Charles Wiggins. Representing the Federal agencies were FHA officials from the San Francisco, Los Angeles and Santa Ana Real Property Offices of HUD, as well as an equal opportunity officer and legal counsel from that office.

The result of this meeting and subsequent meetings with subcommittees is included in the following report. Its purpose is to create a framework for an intergovernmental approach to solving the problem of abandonment in the Valley. The report includes a description of the Valley's physical, social and economic characteristics, a discussion of the background events leading to the study, an outline of the causes and consequences of abandonment as a cyclical process, and recommendations and alternative actions aimed at halting the abandonment cycle at its various steps. Finally, the recommendations are summarized according to the actions which can be accomplished at the different governmental levels -- individual cities, counties, Valley-wide (the Committee), regional (SCAG and SANBAG), state and federal -- and private groups.

This report will attempt to determine the causes of large scale abandonments in the Valley and will illustrate the multiple effects of even a single abandoned house in a neighborhood. One such house can start a cycle of neglect, property value decline, panic selling and instability, ending in a blighted, deteriorated neighborhood. The resulting condition is both a physical and social loss to the entire Valley. All suggestions and recommendations will not be equally applicable; every community is distinct and has its own problems. However, it is our hope that this report will be considered a *CALL TO ACTION* -- a call to all governmental levels and private groups to join together to solve the abandonment problem to the benefit of all, as well as provide needed housing.

II. CHARACTERISTICS OF SUBJECT AREA

The Valley cities, for purposes of this study, consist of Chino, Claremont, La Verne, Montclair, Ontario, Pomona, San Dimas, Upland and Walnut.

The uniqueness of these cities is characterized by the fact that each city is near the extreme geographic end of its respective County boundary. Also, each city is partially separated from the center of its respective County area by the San Gabriel Mountains to the north and the San Jose, Elephant, Westmont and Puente Hills to the south.

Due to these geographical factors, there is the tendency for these cities to have common concerns and to work on them collectively in a regional group.

Below is a chart highlighting some of the major characteristics of the Valley cities:

<u>City</u>	<u>County</u>	<u>Population</u>	<u>Area In Square Miles</u>	<u>Family Median Income</u>	<u>Number of Abandoned Houses</u>
Chino	San Bernardino	20,411	11.2	\$ 8,740	5
Claremont	Los Angeles	23,464	7.4	15,053	30
La Verne	Los Angeles	12,965	6.8	11,190	2
Montclair	San Bernardino	22,546	4.7	10,371	45
Ontario	San Bernardino	64,118	22.3	9,617	50
Pomona	Los Angeles	87,384	22.8	10,014	823
San Dimas	Los Angeles	15,692	15.0	12,283	23
Upland	San Bernardino	32,551	13.5	11,701	3
Walnut	Los Angeles	<u>5,992</u>	<u>7.5</u>	N/A	<u>7</u>
TOTALS		<u>285,123</u>	<u>111.2</u>		<u>993</u>

In the next following pages are recent actual photographs of abandoned housing located in the Valley.



ABANDONED HOUSE IN POMONA



ABANDONED HOUSE IN POMONA



ABANDONED HOUSE IN POMONA



ABANDONED HOUSE IN POMONA



ABANDONED HOUSE IN POMONA



ABANDONED HOUSE IN CLAREMONT



ABANDONED HOUSE IN MONTCLAIR



III. CAUSES AND CONSEQUENCES OF ABANDONED HOUSING

The following circumstances have been identified as combining to produce abandonment of homes; once established, the pattern becomes cyclical, causing spreading waves of disturbance to nearby homes, and into the surrounding neighborhood.

In some cases, the initial action of the cycle began as a result of the particular methods of financing used to sell the homes originally. Second mortgage payments, with balloon payments at the end, came due; buyers were unable to meet the note demands and subsequently were forced into foreclosure.

In the Valley area, a change in employment opportunities and a rise in unemployment rates in 1965 forced families to lose their homes through foreclosure; others simply "walked away" because their low payments, coupled with little or no down payment, left them no equity for which to bargain in a sale. When the value of the house was less than the loan on the property, the simple solution was to "walk away" from it. The mortgage companies which loaned the money turned the homes over to the Federal government, as the homes were usually FHA- or VA-insured.

Other social and economic forces added to the problem of residential housing abandonment. Often HUD-qualified buyers moved into their new homes with minimal or even zero down payments, their credit ratings were only cursorily checked, and they seemed to lack the essential knowledge of home ownership necessary to prevent ultimate loss of homes. Unexpected home maintenance costs, for instance, were the last straw to many; to others, the rising taxes were the cause of abandonment. This cycle has a cancer-like effect on the neighborhoods in which it initially occurred. The resultant loss in real property value of adjacent properties has caused hardship in families who have been able to keep up their payments and have too much equity to leave. They are unable to sell and cannot simply leave as others have done. The ownership of most of these abandoned homes is in the hands of government agencies, FHA (to the greatest extent) and the VA. Most realtors in the Valley area agree that the homes which have been in possession of FHA could have been sold had they been placed on the open market and if they had been at all well-merchandised. The failure to rehabilitate homes for resale on the open market has accelerated the cycle, and has caused untold blight to neighborhoods which could have remained stable if the homes had been occupied in time.

It is noteworthy that this abandonment is primarily in homes built in the post-World War II era. In the City of Pomona, for instance, over 50 percent of the abandonment is clustered in three areas, all built in the 1950's. This pattern is reflected in all but one city -- Chino. These homes now constitute potential slums, which

could be the source of the many problems which accompany substandard and deteriorated dwellings. Some of the following conditions have been observed in neighborhoods which are suffering from the first stages of blight due to abandonment:

- . inadequate regular physical maintenance; trash in yards, lawns brown and uncut, weeds, lack of living shrubbery;
- . presence of trash and debris, abandoned cars or household furniture in or about the yard;
- . lack of normal, periodic maintenance such as exterior wood painting, roof and fence repair;
- . unusual or rapid social change in both the character of the residential area and/or the schools;
- . rapid change from owner-occupied to rental dwellings, with absentee landlords who ~~refuse~~ to maintain their property;
- . "image" or reputation of a deteriorating economic or social condition within the area; economic or social/racial block-busting.

The Committee formed to study the abandoned housing problem is well aware that there are economic factors which at present are beyond its control to change. It is also aware that the solution for some of the preventable aspects of the problem will have to come from within the communities, as the communities themselves are most likely to know what resources are available to them. While no one answer will solve everyone's problems, there appear to be common problems for which a solution will more readily be found if the communities band together. It is possible that policy changes will occur more readily in other levels of governments if it is evident that the demand for such changes comes from a united front on the municipal level.

The recommendations in the following section are submitted with the hope that each community can work with the responsible agencies to keep the abandoned house syndrome from growing. Moreover, that cycle should be interrupted and measures taken at the municipal level to insure its disappearance from the housing scene.

IV. RECOMMENDATIONS FOR ABANDONED HOUSING

A. Establishment of a Valley Association of Cities

The current Greater Pomona Valley Mayors' Action Committee on Abandoned Housing has indicated that abandoned housing is not limited to just one city or county in the Valley. Also, the Committee has demonstrated that through united effort it can better tackle a common problem or potential problem by exchanging information and developing a set of agreed-upon solutions. This proposed Valley solution should not be construed to be in conflict with the Southern California Association of Governments (SCAG) or the San Bernardino Associated Governments (SANBAG), which are regional planning agencies and county-wide in scope.

This report offers a variety of abandoned housing solutions consisting, in part, of intergovernmental cooperation and Valley-wide coordination, staffing and financing for a Valley Association of Cities, revision of initial sales qualifications, property maintenance procedures, default assistance, new resale programs, home ownership counseling, and elimination of the recycling of abandoned housing.

It is recommended that, in order to administer and implement the above recommendations regarding abandoned housing and to assist in other Valley problems and opportunities for the Valley cities, a Valley Association of Cities be established. The proposed organization of a Valley Association of Cities (hereinafter referred to as "the Association") could be established with staffing to consist of an Executive Officer, Grants Assistant, Housing Assistant, and a Senior Typist-Clerk. The initial responsibilities of the Association would be to establish a Board of Directors to consist of elected officials from the participating Valley cities. The initial duties of the Association would be to secure any necessary grant funds for implementing the solutions to abandoned housing and to secure grant funds for future Valley concerns. Just recently Federal legislation has been signed making grant monies available to cities who would participate in consortia cooperation. These grants include the Comprehensive Manpower Act, the Emergency Medical Services Act, the Rural Development Assistance Act, and the Economic Development Assistance Act.

The initial and future funding of the Association for staffing, offices, and Valley grants-in-aid is being pursued with the U. S. Department of Housing and Urban Development under its "701" Comprehensive Planning Assistance grant program.

Should this "701" grant request be approved, it is recommended that an Executive Officer be appointed for the Association by the Committee. The initial responsibilities of the Association's Executive Officer should be to:

1. develop the Association's organization;
2. under direction of the Association's Board of Directors, implement the Valley recommendations of the Committee; and
3. secure regional grant funds to assist the Valley cities.

This over-all recommendation for this Association is to permit intergovernmental cooperation, solving of Valley problems, retention of the "municipal affairs" power of each participating city, and to have the hard cash costs connected with this Association effort financed through available State and Federal grants.

B. Initial Sales

One of the outstanding faults of the credit-qualifying system is its inability to make distinctions between families who will make every effort to keep their homes and those who will "walk away." One of the key differences may be the amount of down payment the family is required to place on the home. To this end, the Committee feels that an adjustment upward in the "no-down" or "little-money-down" policy of the Federal government would change some of the problem buyers to renters and keep homes from becoming abandoned. Tighter credit qualifications might include more attention to work patterns and to the length of time on a job, to the rise in income level, rather than solely the amount of income. The past subsidized housing programs taught from bitter experience that counseling must be done, and done well, if families with marginal incomes are to remain homeowners. It would not seem unreasonable to assume that most new owners, low-income or not, would benefit from mandatory counseling before they qualified to buy an FHA-insured home. Such counseling would indicate to the buyer what his responsibilities and rights as a property owner include.

Along with the credit problems involved in purchasing a home, buyers are sometimes unaware of the true picture of what they are buying. While government-insured loans require inspections before the sale is completed, other sales don't require such inspections. Hazardous conditions, faulty workmanship, zoning violations all should be known to the purchaser.

C. Property Maintenance

1. Maintenance of Occupied Property

The second step in the abandonment cycle after foreclosure is imminent shows itself in the lack of maintenance of occupied property. This requires action at the local level.

A municipal code enforcement program is required. Each city should review existing ordinances to determine their adequacy and ease of application. Each should have ordinances to include: weed and trash abatement; dangerous conditions, such as neglected swimming pools; vehicle abatement; rehabilitation or demolition of substandard structures; and general maintenance of structures and landscaping. All of these types of ordinances follow the same procedure and could be incorporated into one ordinance. Examples of some ordinances are included in the appendices.

At the base of such a program is a constant surveillance system. City staff must monitor the entire community, but particularly neighborhoods where there is a predominance of such problems. It is also important to organize neighborhood groups, to encourage pride in home as well as neighborhood. Such groups can develop necessary dialogue with residents of the neighborhood who have conditions which warrant attention. These groups can provide the necessary early warning about other conditions which, if left unattended or unnoticed, could develop into problems of a major significance at a later date. Neighborhood groups can also form that body of individuals who can provide necessary input on plans to develop or redevelop existing neighborhoods. Often plans proposed by a city do not necessarily match the picture the residents of the area have of their own living environment.

Normal abatement procedures require that warning be issued to the property owner, identifying the condition(s) to be abated. Should the owner fail to comply within the specified time or fail to request a hearing, the City, using locally adopted ordinances, abates the condition using City work forces or subcontracting the work. The cost related to the abatement should be carefully recorded (including administrative costs) and the property owner billed accordingly. If the owner fails to reimburse the City after a period of time, e.g., 15 to 30 days, a lien can be filed against the property through the County Recorder or Auditor.

Vigorous enforcement of the procedures outlined above will require additional funding for employees or changes in priorities for use of existing employee time. No additional expertise should be necessary since all procedures can be followed within existing City structure. In most cases a Community Development Department is equipped to handle enforcement of these ordinances. The cost of actual abatement and maintenance will be repaid eventually, but the City must be prepared to absorb the lag time for repayment. If substantial additional staff is indicated by the severity of the problem, other sources of funds should be investigated, e.g., revenue sharing or any new Federal funds for code enforcement.

Partial reimbursement for abating vehicles can be obtained by joining the State Abandoned Vehicle Abatement Program administered by the California Highway Patrol. Cities joining this program will be reimbursed approximately \$15.00 per vehicle abated under local abatement ordinances and procedures that conform to Vehicle Code Section 22660.

There are other actions of a counseling and financial assistance nature which local governments can provide. These are especially important for those neighborhoods containing large numbers of low- and moderate-cost housing. A City staff member could be appointed to assist owners in developing budgets to meet necessary household expenses as well as how to make necessary repairs to abate unsightly conditions, and as a coordinator between financial agencies and lending facilities to reduce or eliminate the need for foreclosure and the resulting abandonment and vandalism of structures. The cities should also consider establishing low interest rehabilitation loan funds to assist those who do not have the funds for more major rehabilitation projects and cannot get regular financial assistance.

In addition to the action taken to bring private property into code compliance to an acceptable maintenance standard, the cities must insure the care and maintenance of all public property and structures. Neighborhoods which are neglected by public officials can be expected to be neglected by the tenants and property owners as well.

In summary, a code enforcement program can be a shotgun approach using all techniques available. The arsenal can include updating local ordinances, abatement of unwanted or unsightly conditions through ordinance enforcement, development of neighborhood groups as an early warning system, surveillance and identification of neighborhood

conditions, development and maintenance of necessary public facilities. It is important to remember that such a program must be constant and continuous. Code enforcement programs require a commitment by local government in the form of interest, time, money and manpower.

2. Maintenance of Unoccupied Property

The key to minimizing the problems of abandoned houses after they exist is the earliest possible warning that a house has been vacated. An early warning system is essential and can effectively minimize the amount of damage which can occur by vandalism after a house is vacant. City staff, through code enforcement surveillance programs, should watch for vacant houses. However, in order to get the earliest warning, cooperation should be developed with neighborhood groups and other service agencies, such as utility companies, postal service and City services. Such a cooperative system must be somewhat formalized in order to be effective.

Once a vacant house is reported, several alternative actions are recommended:

- a. If the house is in a stable neighborhood, appears to be maintained, and is for sale or rent, it should be kept under surveillance and police patrol requested. If any problems occur, other alternatives should be followed.
- b. If the house is not in a stable neighborhood and/or any problems are evident on the property, the owner (from the Assessor's records) should be immediately sent a warning letter to abate and maintain. Copies of this letter should be sent to the mortgagee (sometimes indicated on the deed), the real estate company (if any signs are posted), and the mortgage insurer (listed in a special compilation of Assessor's records if the house has sold in the last two to three years).

Most abatement ordinances in effect in this Valley require two resolutions to be passed by the City Council at two succeeding meetings before the City can move to abate the problems. The cities should move as rapidly as possible to abate if the owner does not comply. The same billing and filing of a lien on the property procedure, as outlined in a previous section, should be followed. This lien will have the same priority as property taxes and must be paid at the same time as

taxes or when the property is sold. For this reason it is important to file the lien as soon as possible to reduce the lag time during which the City is carrying the costs. Particularly if the property is being foreclosed, it may be possible to get the lien paid when the property reverts to HUD or VA instead of waiting until these agencies finally sell it.

- c. If it is known that the house mortgage is insured by, or already deeded to, FHA or VA, a direct call should be made to the Area Management Broker or the insuring office reporting the problem, but with the same mailed follow-up as listed in (b).

The cost of securing and maintaining these properties is considered a property management cost and is reimbursable as an added cost in the sale of the property. VA has done a good job through local management firms. If FHA cannot assume its responsibilities, with more local area management brokers, in the very near future, the cities should investigate making property management contracts, individually or jointly, for maintenance directly with FHA-HUD, thus getting paid sooner and eliminating the middleman.

The maintenance and timely disposition of abandoned housing in the Valley would be facilitated through the consolidation of responsibility into one FHA Insuring Office, either the Santa Ana or the Los Angeles Area Office. This would also permit one office to have an Area Real Estate Specialist who services all the Valley cities located in two counties.

- d. If the house is open to vandals, it should be immediately secured under the emergency securing provisions of an unoccupied structure ordinance. This may be difficult for City crews to do and a subcontractor should be located in the area who could do it on call from the City. For the protection of the City (and to collect the costs later), it would be advisable to get a written report on the condition of the house from the Police and/or Fire Department to corroborate the report of the inspector.
- e. If the property has been abated but no continued maintenance is evident, the City should provide at least minimum maintenance, using City crews or a subcontractor. The water must be turned on. The owner would be responsible for the costs.

- f. Regular or additional patrol house checks should be requested of the Police Department and a good information flow should be established between the housing inspectors and the Police Department.
- g. Finally, another method to maintain an abandonment in order to reduce vandalism, maintain unoccupied property and provide a system of surveillance is to utilize people from the neighborhood. This system of paid "alley cat" early warning surveyors has worked well in a project funded by VA and FHA in Menlo Park, California.

These alternatives require the establishment of an inspection and record-keeping procedure which is time-consuming, but essential. Even if the Federal agencies with responsibility assume their portion of the problem, the cities must still deal with the properties in private ownership and during the foreclosure process.

D. Delinquency/Default/Foreclosure Assistance

The Committee recommends that the Federal government pass legislation or develop administrative guidelines which would require mortgage companies who hold insured loans to offer direct assistance to families who are delinquent and/or in danger of defaulting on their loans. At present there is no incentive for the mortgage companies to do this. In fact, it seems more profitable on the surface for the loan companies to turn the property back to the Federal government -- the rates at which they can re-lend the money have risen sharply in the last year, and the loans are usually insured for 95 to 100 percent.

Providing counseling services to families who are having trouble making payments is not an uncharted field. HUD has recognized the need for this by requiring counseling for all families who buy homes under their bulk-sales program. As indicated above, the Committee feels that this requirement must be extended to cover all families who purchase homes with FHA- or VA-guaranteed loans. Community-sponsored pilot projects on tracts of FHA 235 subsidized homes have shown a phenomenal impact on families if they are counseled early enough to avoid legal notice of default. The mortgage companies, however, were not willing to continue the project past the pilot stages because they weren't actually interested in keeping the families in their homes.

Additional areas of concern for the Committee deal with the actual operation of the payment procedure and with the lack of communication between the mortgage holder and the institution

which serves him. The past is littered with evidence of unfeeling companies who refuse to take payments offered without the late fee attached. Others indicate that no partial payments or make-up payments have been accepted unless the whole delinquent amount, plus late charges, is tendered. It is suggested that the FHA and VA require as part of their insurance contract with the mortgage companies the acceptance of partial payments when deemed advisable, the extension of loans where hardship has reduced an otherwise good risk to delinquency, the forbearance until the end of the loan of payments where such action would avoid foreclosure and keep a home occupied by its owner. At the time the evidence of delinquency appears, the mortgage companies should be allowed to require counseling as a condition of continuing the loan. If foreclosure action must be taken, provision should be made to allow the home to be rented, either to the former owner or to another tenant, keeping it occupied during the time it is reverting to the government. The policy of renting such foreclosed property should be extended into the time the Federal government takes over clear title. In some cases such homes should be rented with an option-to-buy provision in the rental agreement.

It has come to the attention of the Committee that many mortgage companies have no service offices within a state or mortgage area. The alternative might be to require a toll-free telephone number for the use of homeowners who need to know the status of their loans.

City ordinances mandate supervision of structure under the Health and Safety Code. It is a recommendation of this Committee that the mortgage companies be required to notify the municipal authorities when foreclosure occurs, as an "early warning system" for abandonment and blight. This measure would allow the cities to supervise conditions before blight occurs. At present, FHA requires the house to be vacant, secured and in most cases boarded up, before they pay off the loan. They also require the Property Management Broker to inform taxing agencies of ownership. This requirement should be vigorously pursued, as the presence of an abandoned house may not be detected in a neighborhood if it is past its initial stages.

E. Resales

Once a government-insured home has been repossessed by a mortgage company, a decision must be made by that institution. It can resell that property and not take advantage of the loan insurance, or it can allow the home to revert to the government. A trustee sale by the loan institution may bring no acceptable bids, usually because the bid is not negotiable.

It is reasonable to suggest that the FHA allow a loan institution to be reimbursed from Federal funds for allowing a property to be sold under the current loan amount within reasonable limits. This step would shorten the time between foreclosures and sale, reduce the FHA inventory, and would reoccupy the homes within a few months instead of a few years. This policy would not cost FHA any more in the long run than their present maintenance costs which include administration, upkeep and rehabilitation.

Real estate people within the Valley area have indicated overwhelmingly that abandoned houses could easily be sold if they were available on the market. The VA seems to handle the rehabilitation-for-market process better than FHA. Three factors are involved in the FHA sales lag:

- . Few, if any, FHA rehabs are actually offered for sale;
- . Coordination between the Area Management Brokers, the real estate sales people and the HUD (FHA) office is very poor. Brokers have no ready source of information regarding the status of a sale;
- . The method of qualifying the buyer and actually closing the sale is awkward.

1. Sale of Repossessed Homes

a. Individual Sales

F.H.A.: After title clearance, the agency rehabilitates the dwelling under the supervision of the Area Management Broker (AMB), and places it on the market. Any broker can participate in the public sale of these homes; he must submit a bid in the name of the prospective buyer, which will be placed in a pool from which the successful applicant will be drawn by lot. The applicant is not qualified financially until after the drawing. This can be a lengthy and chancy process, as no guarantee can be made that the drawing winner will be ultimately qualified for the FHA-insured loan. Several changes in the method by which FHA sells to individuals make it advisable for the brokers in an area to contact the individual sales representative for the most current information. The sales representative should be urged to speak at realtors' meetings, as the rehabilitation program is expected to put many more individual homes on the market.

V.A.: Bids are taken from tentatively qualified bidders on houses which have been ordered rehabilitated by the local representative. A period of five days elapses before successful bidder is known. Rehabilitation and sale seems to occur more rapidly with VA than with FHA homes.

b. Bulk Sales

At present FHA is the only agency which has emphasized bulk sales. The homes are available on two bases: profit-motivated and non-profit-motivated. In both cases homes are sold on bid in lots of 10, 25, 50 or more on an "as is" basis; the successful bidder must agree to rehabilitate homes to HUD specifications. Mortgage insurance is available on an individually assessed basis. Both profit and non-profit sponsor groups must contract with a HUD-certified agency for pre- and post-occupancy counseling for buyers. No sponsor may act as its own counseling agency; the counseling agency may have no direct or indirect interest in the sale of homes.

The profit-motivated sponsors must provide at a pre-bid conference information concerning their previous HUD experience in housing rehabilitation, proof of their corporate management capabilities regarding funding, construction, sales and financial accounting, and a sound financial commitment for the purchase and rehabilitation of properties. Non-profit sponsors must provide information including a roster of responsible officers together with proof that the group is basically involved in purchase, rehabilitation and sales of real estate. Appropriate documents regarding non-profit incorporation status and exemptions are also necessary. This type of sponsor must give assurance that no sponsor or officer will receive money from the sale of rehabilitated houses or has an interest in the contracting firm, material dealer or financial entity doing business with the group. Methods of interim financing must also be indicated, as well as the stipulation that HUD has the right to inspect the property before issuing mortgage insurance.

The bulk sales program appears to be primarily an effort by FHA to reduce inventory. As such, that program may have an adverse effect on the areas involved; the same problem of low equity and abandonment may be recycled.

For this reason, it would be advisable for areas in which these sales are concentrated to be present and be heard at the HUD-sponsored Environmental Impact hearings which are slated to be held in each community before any bulk sales occur. These hearings are pro forma and are not dependent on the approval of any local agency.

It is the recommendation of the Committee that FHA adjust its criteria for purchase of homes under the bulk sales program to allow City experimental programs such as homesteading, green-belting, and the development of community centers and mini-parks. At present their sales price is based on the value of the property rehabilitated; this is unrealistic in areas which are blighted; past price and use are not predicative of future suitability in deteriorating neighborhoods. Where there are many abandoned homes located within a residential neighborhood, alternate uses of the land or structures may be desirable. Open, green space or small neighborhood parks may give the area what it needs to become a real neighborhood; community centers may give that area its own identity and develop pride and roots among its residents. Homesteading may be one way to bring stable people back into neighborhoods which are deteriorating.

c. Homesteading

The Homestead Act of 1862 is being updated and utilized by several cities in order to rehabilitate neighborhoods. The cities have acquired these properties through tax default. Although the details vary from city to city, the basic plans include:

- (1) acquisition or clearance of title;
- (2) adoption of a City ordinance enabling homesteading by City;
- (3) applications from interested citizens, with qualifications clearly stated. These appear to include: employment, a good credit rating, some demonstrable skills in rehabilitating houses, a need for a home, a stable family situation;
- (4) qualifying and counseling applicants, based on a priority system such as: present residence, city of employment, credit and work history, family stability, age and size, and definable rehabilitation skills;

- (5) close supervision by City during the period of rehabilitation. A time limit is set for the initial work (usually 18 months); in addition, the applicant must agree to live in the house for a specified period before receiving clear title (usually five years);
- (6) coordination of lending institutions and applicants, as the source of financing to date appears to have been limited to private lending institutions. The total cost to the applicant will thus include: loan and interest for rehabilitation, administrative costs for supervision, any initial cost to the City for acquiring property if it doesn't already hold title, and any permit fees charged by City.

Preliminary legal opinion indicates that a Housing Authority can be created without popular vote if it is not limited to low-income persons. Housing Authorities for low-income persons, which are established under Article 34000, Section 24340, Health and Safety Code, must be previously accepted by popular vote. The Housing Authority under which homesteading would exist would not then violate State Constitution provisions if it were open to all applicants.

In addition, there appears to be no legal reason why the administrative costs cannot be assessed to the rehabilitation loan costs. The details for this should be individually negotiated by the lender and the City. Sample ordinances and written material for further information are included in the Appendix.

2. Counseling and HUD/FHA Certification

In the latter stages of the now-defunct FHA 235 Program, mandatory counseling of buyers was found to be somewhat beneficial, as many prospective home-buyers had never before owned a home and were ill-informed, not only about upkeep, but also about financial matters generally. The HUD certification is granted to agencies which can illustrate ability to counsel and knowledge of the community. In the Appendix is a copy of the HUD application for certification. HUD allows up to \$250 per family for counseling, to be included in the sale cost to the bulk-sale sponsor. This sponsor, in turn, contracts with the counseling agency, which may not be connected in any way with the bulk-sale sponsor,

with the sale of the houses, or with any contracting companies. The bulk-sale sponsor may negotiate for any portion of the fee with the counseling agency, up to the maximum of \$250.

The basic contents of the counseling program must include the following:

- a. the basic implications of being a homeowner; the rights, responsibilities and opportunities;
- b. how to buy, to determine price, to determine quality;
- c. how to repair, what tools to use, when to call in a professional repairman;
- d. the financial knowledge needed to handle taxes, payments, budgeting for future needs, credit information, installment buying;
- e. knowledge of local resources for family services, i.e., family planning, legal aid, job counseling;
- f. child care, food preparation, care of household equipment, etc.

In addition, follow-up counseling should include service of agency for not less than one year, including home visits. Counseling should include information on required one-year warranties, and an information/referral service on a wide spectrum of social problems. Post-counseling is also indicated in the event of consistent slow payment or default.

While it may not be feasible for all cities to become HUD-certified counseling agencies, the Committee feels that a source of counseling in the areas stated above should be made available to all citizens in an area, whether or not they are involved in a mandatory counseling sales program. This would be a preventive program, aimed at preventing families from losing their homes because of ignorance of the basic homemaking and financial management skills.

In completing the Committee's above recommendations regarding HUD resales, HUD needs, in addition, to respond within ten days to any valid offer for purchase.

V. *SUMMARY OF REPORT'S RECOMMENDATIONS*

- A. That all cities enact and enforce ordinances to require maintenance of occupied and unoccupied property, and implement a surveillance system for abandoned houses.
- B. That the U. S. Department of Housing and Urban Development-Federal Housing Administration (HUD-FHA) should increase the required down payment for Federally-insured and subsidized housing.
- C. That home ownership counseling should be rendered to families with mortgage delinquencies, loan defaults or newly purchased housing.
- D. That government-insured repossessed homes should be resold by the lending institution without reverting back to FHA; resales should be sold on an individual basis rather than solely on a bulk-sale basis; and all valid offers for purchase of FHA housing should be responded to within ten days by FHA.
- E. That abandoned houses should be transferred to cities for experimental programs such as urban homesteading, green-belting, development of community centers or mini-parks.
- F. That HUD should assign an FHA Real Estate Specialist with jurisdiction to service all the nine Valley cities located in the two county area.
- G. That cities should utilize HUD's Section 23 leased housing program for homes which are abandoned or require rehabilitation.
- H. That a Valley Association of Cities be established to implement the region-wide abandoned housing recommendations of a surveillance system, home ownership counseling, urban homesteading, Section 23 leased housing and maintenance of abandoned housing.
- I. That the Report's recommendations be adopted by the various governmental agencies so indicated.

VI. APPENDIX

- A. Valley Map
- B. Valley Population Characteristics
- C. Valley Employment and Income Statistics
- D. Valley Housing Data
- E. Sample Ordinance Regarding Abatement, Maintenance and Security of Occupied/Unoccupied Buildings
- F. Sample Ordinances and Proposed Congressional Legislation Regarding Urban Homestead Program
- G. HUD Application for Certification of Home Ownership Counseling
- H. Agenda and Governmental Participants of the meeting of the Committee on October 19, 1973
- I. Agenda and Press Release Regarding Approval of Abandoned Housing Report on February 6, 1974
- J. Model Resolution to Form Consortium of Valley Association of Cities

APPENDIX A

Valley Map



APPENDIX B

Valley Population Characteristics

POPULATION CHARACTERISTICS

Area	POPULATION 1970		POPULATION 1960		Population Change 1960-1970 (%)
	Total	Percent Non-White	Total	Percent Non-White	
CHINO	20,411	6.7	10,305	.8	98.1
CLAREMONT	23,464	4.0	12,633	.8	85.7
LA VERNE	12,965	1.9	6,516	1.0	99.0
MONTCLAIR	22,546	2.0	13,546	.4	66.4
ONTARIO	64,118	3.1	46,617	1.3	37.5
POMONA	87,384	14.2	67,157	1.8	30.1
SAN DIMAS	15,692	5.0	7,400	N/A	112.1
UPLAND	32,551	1.6	15,918	1.2	104.5
WALNUT	5,992	2.6	N/A	N/A	N/A
LOS ANGELES COUNTY	7,036,457	14.6	6,038,771	9.7	16.4
SAN BERNARDINO COUNTY	681,092	6.2	503,501	4.2	35.8

SOURCE: 1970 U.S. CENSUS

APPENDIX C

*Valley Employment
and Income Statistics*

EMPLOYMENT AND INCOME

AREA	TOTAL LABOR FORCE 16 YRS. OF AGE AND OVER	OCCUPATION BY CLASS OF WORKER (% OF TOTAL LABOR FORCE OVER 16 YRS. OF AGE)			FAMILY MEDIUM INCOME	PERCENTAGE OF WORKERS EMPLOYED IN COUNTY OF RESIDENCE
		Professional and Management	Sales and Clerical	Blue Collar and Household Workers		
CHINO	6,028	17.7	19.7	62.7	\$ 8,740.00	88.7
CLAREMONT	9,025	50.6	22.7	26.7	15,053.00	79.9
LA VERNE	4,538	31.7	21.5	46.7	11,190.00	81.7
MONTCLAIR	8,662	20.1	25.5	54.4	10,371.00	37.8
ONTARIO	23,435	19.0	22.6	58.5	9,617.00	63.6
POMONA	31,072	23.8	24.4	58.6	10,014.00	79.2
SAN DIMAS	5,698	26.7	24.9	48.4	12,283.00	88.7
UPLAND	12,465	32.7	25.7	41.6	11,701.00	59.5
WALNUT	2,207	41.9	28.9	29.2	N/A	N/A
LOS ANGELES CO.	2,826,565	26.2	29.0	44.8	12,783.00	90.0
SAN BERNARDINO COUNTY	223,263	23.1	24.5	52.4	9,439.00	75.8

SOURCE: 1970 U.S. CENSUS

APPENDIX D

Valley Housing Data

HOUSING DATA

AREA	YEAR ROUND HOUSING UNITS		MEDIAN RENT	ABANDONED HOUSES		RESIDENCE IN 1965 BY % OF TOTAL			
	TOTAL	OWNER OCCUPIED (%)		TOTAL	% OF HOUSING STOCK	Persons living in same house	Persons living in same county	Persons living in a different county	Abroad or not reported
CHINO	4,835	64.6	\$105.00	5	.1	34.5	38.4	18.8	8.3
CLAREMONT	6,824	61.0	154.00	30	.4	38.7	24.8	30.3	6.2
LA VERNE	4,131	68.1	129.00	2	.05	36.5	15.1	41.3	7.1
MONTCLAIR	6,636	59.2	122.00	45	.7	42.7	30.8	17.5	9.0
ONTARIO	20,855	57.9	108.00	50	.2	44.6	22.4	26.5	6.5
POMONA	28,868	53.9	119.00	823	2.9	44.3	15.7	32.5	7.5
SAN DIMAS	4,374	81.3	136.00	28	.6	38.3	14.7	42.7	4.3
4 DUPLAND	10,610	58.6	129.00	3	.03	38.3	28.2	24.4	9.1
WALNUT	1,590	77.0	173.00	7	.4	33.6	16.0	46.7	3.7
LOS ANGELES CO.	2,536,975	46.5	110.00	N/A	N/A	45.4	11.8	34.3	8.5
SAN BERNARDINO COUNTY	249,333	54.2	91.00	N/A	N/A	41.3	26.1	24.5	8.1

APPENDIX D

SOURCE: 1970 U.S. CENSUS AND INDIVIDUAL CITIES

NOTE:

There are a total of 991 abandoned houses
in the nine city area

APPENDIX E

*Sample Ordinance Regarding
Abatement, Maintenance and Security of
Occupied/Unoccupied Buildings*

EXCERPT FROM
CITY OF CLAREMONT MUNICIPAL CODE

ARTICLE III. ABATEMENT OF UNSIGHTLY CONDITIONS.

Sec. 11.35. Definition of "building" or "structure".

Whenever in this article the words "building" or "structure" are used, they shall include, in addition to any building or structure on such property, the exterior, the yard area, fences, walls and any other area included within the legal description of the property under consideration. (Ord. No. 801, § 1.)

Sec. 11.36. Abatement of public nuisances; resolution by council.

The council shall declare by resolution as public nuisances and abate:

(a) Every building or structure which has become so dilapidated from old age or neglect as to be a fire menace, a breeding place for rodents or a likely resort for vagrant or dissolute persons.

(b) Any condition or use of premises or of building exteriors which is detrimental to the property of others. This includes, but is not limited to, the keeping or the depositing on, or the scattering over the premises of, any of the following:

(1) Lumber, junk, trash or debris.

(2) Abandoned, discarded or unused objects or equipment such as automobiles, furniture, stoves, refrigerators, freezers, cans or containers.

(3) Stagnant water or excavations.

(4) Any device, decoration, design, structure, clothes line or vegetation which is unsightly by reason of its condition or its inappropriate location.

The resolution shall:

(a) Refer to the street by its commonly known name.

(b) Describe the property upon which the nuisance exists by giving its lot and block number according to the equalized assessment roll. (Ord. No. 801, § 1.)

Sec. 11.37. Notice of abatement to be posted on property.

After passage of the resolution, the city manager or his designated representative shall cause notices to be posted on or in front of the property on which the nuisance exists. Such notices shall be similar to and posted substantially the same as set forth in sections 39564, 39566 and 39567 of the Government Code. (Ord. No. 801, § 1.)

Sec. 11.38. Hearing by council upon proposed abatement; action by council.

At the time stated in the notices the council shall hear and consider all objections to the proposed abatement of unsightly conditions. The council shall, by motion, allow or overrule any objection. (Ord. No. 801, § 1.)

Sec. 11.39. Order to abate; assessment of abatement costs to property; abatement procedure.

The council may order the city manager or his designated representative to abate the nuisance and assess any costs of same to the property. The abatement and assessment procedure shall be similar to that provided in sections 39571 through 39587 of the Government Code. (Ord. No. 801, § 1.)

EXCERPTS FROM LOS ANGELES COUNTY BUILDING CODE

BUILDING CODE -- Supplement

CHAPTER 98 -- UNOCCUPIED BUILDING AND STRUCTURES

Sec. 9801--Notice to Secure Building or Structure.

When any unoccupied building or structure is not properly secured, locked, or closed and is accessible to juveniles, transients and undesirables and is a health, fire or safety hazard to the adjacent community, and the County Engineer so finds, he shall serve the record owner and (if not the owner) the person having control of such building or structure with a notice to secure or close the same forthwith so as to prevent unauthorized persons from gaining access thereto.

Sec. 9802--Contents of Notice

The notice provided for in Section 9801 shall inform the record owner and (if not the owner) the person having control of such building or structure that:

a. He must forthwith secure or close such building or structure so as to prevent unauthorized persons from gaining access thereto.

b. If, in his opinion, the building or structure is sufficiently secure and closed, or for any other reason he cannot be required to comply with item (a) of this Section, within 10 days after receipt of the notice, he may request a hearing by filing with, or mailing to, the County Engineer a demand for such hearing.

c. If the required work is not performed within 10 days after service of the notice and if a timely demand for hearing is not made, the County may perform the work at the expense of the said owner.

Sec. 9803--Notification to Other Persons

The County Engineer may, but is not required to, send copies of any notice provided for in Section 9801 to the holder of any mortgage, trust deed or other liens or encumbrance, the holder or owner of any lease, or the holder of any other estate or interest in or to the building or structure or the land upon which it is located.

Sec. 9804--Posting

A copy of the notice shall be posted in a conspicuous place on the building or structure which is the subject of the notice. Further, the County Engineer may cause to be posted on such building a sign or signs to read: "SUBSTANDARD BUILDING, DO NOT ENTER OR DAMAGE BY ORDER OF THE DEPARTMENT OF COUNTY ENGINEER, BUILDING AND SAFETY DIVISION, COUNTY OF LOS ANGELES."

Such sign may contain additional information and warnings as, in the opinion of the County Engineer, are expedient. Such notice shall remain posted until the building again is lawfully occupied. A person shall not remove such notice without the written permission of the County Engineer. A person, other than a person having the right of occupancy, shall not enter the building.

Sec. 9805--Service

Proper service of any notice required by this Chapter shall be by personal service or by first class mail upon the record owner and (if not the owner) the person having control of such building or structure.

BUILDING CODE -- Supplement

Page Two

In the event the County Engineer is unable to serve any notice on any person as specified above, proper service on such person shall be by posting the notice in a conspicuous place on the building or structure.

The failure of any owner or other person to receive a notice shall not affect in any manner the validity of any proceedings under this Chapter.

Sec. 9806--Request for Hearing

Within 10 days after service upon the record owner of a notice pursuant to Section 9801, the said record owner or any other person deeming himself aggrieved may request a hearing.

Sec. 9807--Notice of Hearing

Upon receiving a request for hearing, the County Engineer shall set the matter for hearing before the Building Rehabilitation Appeals Board and shall serve notice not less than 10 days prior thereto upon the person requesting such hearing and upon every person upon whom the notice provided for in Section 9801 was served.

Sec. 9808--Procedure

Except as inconsistent with any other provisions of this Chapter, all procedure taken shall be, and the Building Rehabilitation Appeals Board and the County shall proceed and collect costs, as provided in this Ordinance in the case of substandard and unsafe buildings.

Sec. 9809--Securing Structures by County

If a person is properly served a notice pursuant to Section 9801 to secure or close a building so as to prevent unauthorized persons from gaining access thereto and neither he nor any other persons requests a hearing, or, after a hearing the Building Rehabilitation Appeals Board determines that such person is obliged to so secure or close such building, if such building is not so secured or closed within 10 days after service of notice, if no hearing is requested, or within the time specified by the Building Rehabilitation Appeals Board, the County may perform the work as provided in this Ordinance in the case of substandard or unsafe buildings.

Sec. 9810--Mechanical Department

The County Engineer may request the Chief, Mechanical Services, to secure or close any building or structure subject to the provisions of Section 9809 so as to prevent unauthorized persons from gaining access thereto. Upon receipt of such request, the Chief, Mechanical Services, at the earliest possible opportunity shall comply with such request. He shall keep an accurate record of the cost of such work.

BUILDING CODE -- Supplement

Page Three

Sec. 9811--Lien

Any lien for the cost incurred by the County in securing a building or structure from unlawful entry shall be subordinate to any mortgage, trust deed or other lien of any person who received no notice pursuant to either Section 9801 or Section 9807.

Sec. 9812--County Engineer

Nothing in this Chapter shall be deemed to preclude, prohibit or restrict the County Engineer from securing the prompt demolition or repair of buildings found to be substandard or unsafe under other provisions of the code.

Sec. 9813--Emergency Procedures

Whenever the conditions described in section 9801 constitute such an immediate hazard that the building or structure must be secured or closed forthwith or within less than the designated period and either the Sheriff or the Chief of the Fire Department so finds and so notifies the County Engineer, he shall request the Chief, Mechanical Services, to secure such building or structure as provided in Section 9810 after giving such notice to the record owner or the person in charge, or both as the circumstances will permit or without any notice whatever when, in the opinion of the Sheriff or Chief of the Fire Department, immediate action is necessary.

Sec. 9814--Hearing as to Necessity and Cost

The provisions of this Chapter providing for hearings shall apply to any person having any right, title or interest in any building secured pursuant to Section 9813. Such person may request a hearing as to the necessity and reasonable cost of the work performed by the Chief Mechanical Services within ten days after the building is secured or within ten days after receiving notice of such work.

CHAPTER 99 -- BUILDING AND PROPERTY REHABILITATION

Sec. 9901--Scope

(a) General. The provisions of this Chapter shall apply to all substandard buildings and substandard property.

(b) Existing Buildings. Occupancies in existing buildings may be continued as provided in Section 104(g) except in such structures as are found to be substandard as defined in this Chapter and ordered vacated or as are found to be unsafe as defined in Section 203.

(c) Vehicle-Defined. As used in this Chapter "vehicle" means a device by which any person or property may be propelled, moved, or drawn upon a highway, excepting a device moved by human power or used exclusively upon stationary rails or tracks.

BUILDING CODE -- Supplement

Page Four

Sec. 9902--Definition of Substandard Building

Any building or portion thereof, or the premises on which the same is located, in which there exist any of the conditions listed in Section 9903 to an extent that endangers the life, limb, health, property, safety, or welfare of the public or occupants thereof shall be deemed and hereby is declared to be a substandard building.

Sec. 9903--Substandard Conditions

Substandard building conditions shall include but are not limited to the following:

(a) Inadequate Sanitation.

1. Lack of hot and cold running water to plumbing fixtures in a hotel or dwelling unit.
2. Lack of the minimum amounts of natural light and ventilation required by this Code.
3. Room and space dimensions less than required by this Code.
4. Dampness of habitable rooms.
5. Violation of any applicable provision of Ordinance No. 7583, an ordinance adopting a Health Code, adopted August 25, 1959, as determined and reported to the Building Official by the Health Officer.

(b) Structural Hazards.

1. Deteriorated or inadequate foundations.
2. Defective, deteriorated or inadequate size flooring and/or floor supports.
3. Defective, deteriorated or inadequate size members of walls, partitions or other vertical supports.
4. Defective, deteriorated or inadequate size ceiling, roof, or other horizontal supports.
5. Defective, damaged or inadequately constructed fireplace or chimney.

(c) Inadequate or Hazardous Wiring.

1. Lack of required electrical lighting or convenience outlets. In existing residential occupancies, every habitable room is required to contain at least two supplied electric convenience outlets or one such convenience outlet and one supplied electric fixture. Every water closet compartment, bathroom, laundry room, furnace room and public hallway in such occupancies are required to contain at least one supplied electric fixture.
2. All wiring except that which conformed with all applicable laws in effect at the time of installation and which has been maintained in good condition and is being used in a safe manner.

(d) Inadequate or Faulty Plumbing.

1. Lack of plumbing fixtures required elsewhere in this Code.
2. All plumbing except that which conformed with all applicable laws in effect at the time of installation and which has been maintained in good condition and which is free of cross connections.

(e) Inadequate or Faulty Mechanical Equipment.

1. Lack of safe, adequate heating facilities in a dwelling, apartment house or hotel.

2. Lack of, or improper operation of, required ventilating equipment.

3. All mechanical equipment, including vents, except that which conformed with all applicable laws in effect at the time of installation and which has been maintained in good and safe condition.

(f) Faulty Weather Protection.

1. Lack of a sound and effective roof covering.

2. Lack of a sound and effective exterior wall covering.

3. Broken windows and doors.

4. Deteriorated or ineffective waterproofing of foundation walls or floor.

(g) Faulty Materials of Construction.

Any material of construction except those which are allowed or approved by this Code and which have been adequately maintained in good and safe condition.

(h) Hazardous or Insanitary Premises.

Those premises on which an accumulation of weeds, vegetation, junk, dead organic matter, debris, garbage, offal, rat harborage, stagnant water, combustible materials, and similar materials or conditions which constitute undue fire, health or safety hazards.

(i) Inadequate Maintenance.

Any building or portion thereof which is determined to be an unsafe building as defined in Section 203 of this Code.

(j) Inadequate Exits.

All buildings or portions thereof not provided with exit facilities as required by this Code except those buildings or portions thereof whose exit facilities conformed with all applicable laws at the time of their construction and provide adequate safe exits for the building occupants.

(k) Fire Hazard.

Any building or portion thereof, device, apparatus, equipment, combustible waste, or vegetation which is in such a condition as to cause a fire or explosion or provide a ready fuel to augment the spread and intensity of fire or explosion arising from any cause.

(l) Inadequate Fire Protection or Fire-fighting Equipment.

All buildings or portions thereof which are not provided with the fire-resistive construction or fire-extinguishing system or equipment required by this Code, except those buildings or portions thereof which conformed with all applicable laws at the time of their construction and whose fire-resistive integrity and fire-extinguishing systems and equipment provide adequate fire safety.

(m) Improper Occupancy.

All buildings or portions thereof occupied or used for any purpose for which they were not designed or intended to be used.

(n) Abandoned Buildings.

All buildings or portions thereof which are abandoned, open or vandalized or both.

(o) Unfinished Relocated Buildings or Structures.

Buildings or structures or portions thereof as described in Section 6811.

BUILDING CODE -- Supplement

Page Six

Sec. 9904--Substandard Property

Any one or more of the following conditions shall constitute substandard property:

- (a) Substandard buildings;
- (b) Unpainted buildings causing dry rot, warping and termite infestation;
- (c) Broken windows constituting hazardous conditions and inviting trespassers and malicious mischief;
- (d) Overgrown vegetation causing detriment to neighboring properties or property values;
- (e) Dead trees, weeds and debris:
 - 1. constituting unsightly appearance, or
 - 2. dangerous to public safety and welfare, or
 - 3. detrimental to nearby property or property values.
- (f) Trailers, campers, boats and other mobile equipment stored for unreasonable periods in yard areas contiguous to streets or highways and causing depreciation of nearby property values;
- (g) Inoperable or abandoned motor vehicles stored for unreasonable periods on the premises and causing depreciation of nearby property values;
- (h) Attractive nuisances dangerous to children in the form of:
 - 1. abandoned and broken equipment, or
 - 2. neglected machinery.
- (i) Broken or discarded furniture and household equipment in yard areas for unreasonable periods;
- (j) Clothes lines in front yard areas;
- (k) Garbage cans stored in front or side yards and visible from public streets, except when placed in places of collection at the times permitted and in full compliance with Section 1707 of Ordinance No. 5860, entitled "The License Ordinance," adopted November 27, 1951;
- (l) Packing boxes and other debris stored in yards and visible from public streets for unreasonable periods;
- (m) Neglect of premises:
 - 1. To spite neighbors, or
 - 2. To influence zone changes, granting of exceptions or special use permits, or
 - 3. To cause detrimental effect upon nearby property or property values;
- (n) Maintenance of premises in such condition as to be detrimental to the public health, safety or general welfare or in such manner as to constitute a public nuisance as defined by Civil Code Section 3480;
- (o) Property including but not limited to building exteriors which are maintained in such condition as to become so defective, unsightly, or in such condition of deterioration or disrepair that the same causes appreciable diminution of the property values of surrounding property or is materially detrimental to proximal properties and improvements. This includes but is not limited to the keeping or disposing of or the scattering over the property or premises of any of the following:
 - 1. lumber, junk, trash or debris;
 - 2. abandoned, discarded or unused objects of equipment such as automobiles, furniture, stoves, refrigerators, freezers, cans or containers;

BUILDING CODE -- Supplement

Page Seven

3. stagnant water or excavations;

4. any device, decoration, design, fence, structure, clothes line or vegetation which is unsightly by reason of its condition or its inappropriate location.

(p) Maintenance of premises so out of harmony or conformity with the maintenance standards of adjacent properties as to cause substantial diminution of the enjoyment, use, or property values of such adjacent properties;

(q) Property maintained (in violation of the rights of others) so as to establish a prevalence of depreciated values, impaired investments, and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts from such particular area are inadequate for the cost of public services rendered therein.

Sec. 9905--Party Concerned

As used in this Chapter "party concerned" means the person, if any, in real or apparent charge and control of the premises involved, the record owner, the holder of any mortgage, trust deed or other lien or encumbrance of record, the owner or holder of any lease of record, the record holder of any other estate or interest in or to the building or structure or the land upon which it is located. As used in this paragraph all reference to "record" means matters of record in the Department of Registrar-Recorder of the County of Los Angeles which definitely and specifically describes the premises involved.

Sec. 9906--Building Rehabilitation Appeals Board

In order to hear appeals provided for in Chapter 98 and in this Chapter, there shall be and is hereby created a Building Rehabilitation Appeals Board consisting of five members who are qualified to pass on matters pertaining to substandard buildings and property. The members of the Board shall be appointed by and hold office at the pleasure of the Board of Supervisors and may recommend such new legislation as deemed necessary. The Board shall adopt reasonable rules and regulations for conducting its investigations. The County Engineer shall be an ex officio nonvoting member and act as secretary. He shall keep a record of all proceedings and notify all parties concerned of the findings and decisions of the Board.

Sec. 9907--Alternatives

Every member of the Board of Appeals (created by Section 206) and every member of the Capital Projects Appeals Board, is an ex officio alternate member of the Building Rehabilitation Appeals Board and may serve in the place and stead of any regular member of the Rehabilitation Appeals Board who is absent from any meeting and, at such meeting, shall be deemed to be a regular member of the Building Rehabilitation Appeals Board.

Sec. 9908--Demolition

Whenever the word "demolition," "demolish" or "demolishment" is used in this Chapter, it shall include the removal of the resulting debris from such demolition and

BUILDING CODE -- Supplement

Page Eight

the protection by filling of excavations exposed by such demolition and abandonment of sewer or other waste disposal facilities as may be required by this Code or other ordinance or laws.

Sec. 9909--Determination by County Engineer

Whenever the County Engineer determines by inspection that any existing building or portion thereof is substandard or any lot or other premises is substandard, or both, as defined in this Chapter, such building or premises, or both, are hereby declared a public nuisance, and the County Engineer shall order the abatement of the nuisance by demolition, repair or rehabilitation of the substandard building or portion thereof or at the option of the party concerned by demolition or demolishment thereof. The order also may require that the building be vacated. If the premises are substandard the County Engineer also may order that the substandard conditions be removed.

Sec. 9910--Informal Notice

When the County Engineer has so found, in addition to any notices hereafter required by this Chapter, he may give to the occupants of the substandard property, and to any other person whom he deems should be so notified, information concerning the provisions of this chapter, any violation thereof, how the person notified may comply and any other information as he deems expedient. He may post such information on the substandard property or on the substandard building.

Sec. 9911--Notice of Substandard Building

If, in the opinion of the County Engineer, a building is found to be substandard as defined in this Chapter, the County Engineer shall give to the party concerned written notice stating the defects thereof.

The notice may require the owner or person in charge of the building or premises to complete the required repairs, improvements, demolition or removal of the building or portions thereof within 30 days, or such other time limit as the County Engineer may stipulate. Such notice may also require the building, or portion thereof to be vacated and not reoccupied until the required repairs and improvements are completed, inspected and approved by the County Engineer. A person notified to vacate a substandard building by the County Engineer shall vacate within the time specified in the order.

Sec. 9912--Notice of Substandard Property

If, in the opinion of the County Engineer, property is found to be substandard property as defined in this Chapter, the County Engineer shall give to the party concerned written notice stating the conditions which make the property substandard.

The notice may require the owner or person in charge of the premises to remove within thirty days, or other time limit which the County Engineer may stipulate, the conditions which cause the property to be substandard. If, in order to comply with

BUILDING CODE -- Supplement

Page Nine

such notice, it is necessary to remove any vehicle or any part thereof, such notice shall include a description of such vehicle and the correct identification number and license number, if available at the site.

Sec. 9913--Combining Notices

A notice of substandard property and of a substandard building on such property may be combined into one notice.

Sec. 9914--Service of Notice

Proper service of a notice provided for in Sections 9911, 9912, 9913 or 9942 shall be by personal service or by registered or certified mail upon every party concerned, by posting on the substandard building, if any, and upon the substandard property, if any, a copy of the notice. It shall be deemed a reasonable effort has been made to serve such notice when registered or certified letters have been mailed to the address of the interested party as shown on the official record. When an address is not so listed or contact cannot be made at the listed address, the service shall be by posting on the substandard building, if any, otherwise upon the substandard property, a copy of the notice.

The designated period within which the owner or persons in charge is required to comply with such notice shall begin as of the date he receives such notice by personal service or registered or certified mail. If such notice is by posting, the designated period shall begin 10 days following the date of posting.

Failure of any owner, party concerned or other person to receive such notice shall not affect the validity of any proceedings taken hereunder.

Sec. 9915--Declaration of Substandard Building or Property

The County Engineer may file with the Department of Registrar-Recorder a declaration that a substandard building or substandard property or both have been inspected and found to be such, as defined in this chapter, and that all parties concerned have been or will be so notified. After the County Engineer finds that the public nuisance has been abated, he shall record in the Department of Registrar-Recorder a document terminating the above declaration.

Sec. 9916--Posting of Signs

The County Engineer may cause to be posted at such substandard building or property a notice of substandard building or property and/or a sign to read: "SUBSTANDARD BUILDING, DO NOT ENTER OR DAMAGE, BY ORDER OF THE DEPARTMENT OF COUNTY ENGINEER, BUILDING AND SAFETY DIVISION, COUNTY OF LOS ANGELES." Such sign may contain such additional information and warnings as in the opinion of the County Engineer, are expedient. Such notice or sign shall remain posted until the required repairs, demolition, removal, barricading or property clean-up are completed. Such notice or

sign shall not be removed without permission of the County Engineer and if the substandard building has been ordered vacated, no person shall enter except for the purpose of making the required repairs or of demolishing the substandard building.

Sec. 9917--Right of Hearing and Rehearing

(a) Hearing

Any person having any right, title, lien or interest in the property or any part thereof, or the County Engineer, may request a hearing regarding the substandard condition of a building or property after the building or property is posted. A request by any person other than the County Engineer shall be made in writing to the Building Rehabilitation Appeals Board within 30 days after the building or property is posted. All persons who desire to be heard may appear before the Building Rehabilitation Appeals Board to show that the building or property is or is not substandard or to show cause why the building, even if substandard, should not be ordered barricaded, demolished, repaired, rehabilitated or vacated.

(b) Rehearing

A fee of twenty-five dollars (\$25) shall be paid to the County Engineer whenever a person requests a rehearing before the Building Rehabilitation Appeals Board to request postponement of County action leading to demolition, removal, barricading, property clean-up or other abatement procedure.

The County Engineer or a person affected may be granted a rehearing without payment of the prescribed fee provided the County Engineer first determines and recommends that:

1. The purpose of the rehearing is for an extension of time to complete work ordered by the Board.
2. Substantial progress has been made in accordance with the intent of the last Board order.

The County Engineer shall notify every person who has requested a rehearing of the time and place thereof as provided in Section 9920 of this Code, except a person who has waived such notice. The County Engineer may, but is not required, to give such notice of hearing to other persons concerned.

The County Engineer shall notify all persons who either have requested a rehearing or who have corresponded with the County Engineer concerning the case of the action of the Building Rehabilitation Appeals Board.

(c) Vehicles To Be Removed

The owner of such vehicle or the owner of the land on which such vehicle is located may request a hearing. This request shall be made in writing to the Building Rehabilitation Appeals Board within ten (10) days after the mailing of notice of intention to abate and remove the vehicle. If the owner of the land on which the vehicle is located submits a sworn written statement denying responsibility for the presence of the vehicle on his land within such time period, this statement shall be construed as a request for hearing which does not require the presence of the owner submitting such request. If such a request is not received within such period, the County Engineer shall have the authority to remove the vehicle.

Sec. 9918--Other Interested Parties

If a Notice of Substandard Property does not require the repair or demolition of any building no notice need be given to any person other than a party concerned. If the Notice of Substandard Building or Property does require the repair or demolition of any building and if the demolition or other work necessary to remove the substandard conditions set forth in such notice is not completed within the time specified in such notice and, by a document recorded in the office of the Department of Registrar-Recorder prior to the recordation of the Declaration of Substandard Building or Property, whether such document describes the property or not, it appears that a person other than a party concerned, has any right, title, lien or interest in the property or any portion thereof, and the address of such person is known to the County Engineer or can be ascertained by him by the exercise of due diligence, the County Engineer shall serve a copy of the Notice of Substandard Building or Property on such person as provided in this Chapter.

Sec. 9919--Hearing Not Requested

If neither the County Engineer nor any other person requests a hearing and the substandard condition as set forth in the Notice of Substandard Building or Property is not completed within the time specified in such notice, the County Engineer may demolish such portions of the structures, or may cause such other work to be done to the extent necessary to eliminate the hazards and other substandard conditions which had been found to exist.

Sec. 9920--Notice of Hearing

If either the County Engineer, or any other person, requests a hearing within the proper time as provided in Section 9917 of this Code, the Building Rehabilitation Appeals Board shall hold such hearing. Not less than ten (10) days prior to the hearing the County Engineer shall serve or cause to be served either in the manner required by law for the service of summons or by first class mail, postage prepaid, a copy of the Notice of Hearing upon every person whom this Chapter requires that the Notice of Substandard Building or Substandard Property be served.

Sec. 9921--Form and Contents of Notice

The notice of hearing shall state:

1. The street address and a legal description sufficient for identification of the premises which is substandard or upon which the building is located.
2. The conditions because of which the County Engineer believed that the building or property is substandard.
3. The date, hour and place of the hearing.

BUILDING CODE -- Supplement

Page Twelve

Sec. 9922--Posting of Notice

The County Engineer shall post one copy of the notice of hearing in a conspicuous place on the substandard building involved, if any, otherwise on the substandard property, not less than 10 days prior to the hearing.

Sec. 9923--Hearing by Building Rehabilitation Appeals Board

The Building Rehabilitation Appeals Board shall hold a hearing and consider all competent evidence offered by any person pertaining to the matters set forth in the report of the County Engineer.

The Building Rehabilitation Appeals Board shall make written findings of fact as to whether or not the building or property is a substandard building or substandard property as defined in this Chapter.

Sec. 9924--Order

When the Building Rehabilitation Appeals Board finds that the building is a substandard building, it is hereby declared a public nuisance and based upon its findings the said Board shall order the abatement of this nuisance by barricading, demolition, repair or rehabilitation of the substandard building or portion thereof or, at the option of the party concerned, by the demolition or demolishment thereof. The order also may require that the substandard building be vacated.

The order shall state a reasonable time within which the work shall be completed which shall not be less than 10 days after the service of this order. The Board for good cause may extend the time for completion in writing.

Sec. 9925--Order, Substandard Property

When the Building Rehabilitation Board finds that any property is substandard property, it is hereby declared a public nuisance and based upon its findings, the said Board shall order the abatement of the nuisance by such means as the said Board deems most feasible. If such means includes the removal of any vehicle or any part thereof, such order shall include a description of such vehicle and the correct identification number and license number, if available at the site.

Sec. 9926--Work by County

If the order of the Building Rehabilitation Appeals Board does not require the repair or demolition of any building no notice of such order need be given to any person other than the party concerned. If such order does require the repair or demolition of any building, the order of the Rehabilitation Appeals Board is not complied with within the period designated by the Board and the public records show that there is any person who has any right, title or interest in the property or any part thereof by virtue of a document duly recorded prior to the recordation of the

BUILDING CODE -- Supplement

Page Thirteen

Declaration of Substandard Building or Property, whether such document describes such property or part thereof, or not, the County Engineer shall serve upon such person as provided in Section 9920 a notice of the action of the Rehabilitation Board which notice also shall contain a statement that the County will demolish the building or take such other action as may be necessary to remove the substandard conditions unless such person, within 10 days, requests, in writing a hearing. If such person requests such a hearing the Building Rehabilitation Appeals Board shall hold such hearing as provided in this Chapter at which hearing the Board shall re-determine the facts and make a new order as provided in Section 9924 and the former order shall cease to be of any force or effect. If any order of the Building Rehabilitation Appeals Board made pursuant to Section 9924 or 9925 and not superseded, or any order made pursuant to this section is not complied with within the period designated by the Board, the County Engineer may then demolish the substandard building or portions thereof, or may cause such other work to be done to the extent necessary to eliminate the hazard and other substandard conditions determined to exist by the Building Rehabilitation Appeals Board.

Sec. 9927--Costs

The costs involved in the demolition or other work by the County Engineer, including in addition to other costs the applicable processing costs as set forth in Table 99-A, shall become a special assessment against the property.

TABLE NO. 99-A
REHABILITATION PROCESSING FEES

<u>Service</u>	<u>Fee</u>
Preparation of job specifications.....	\$30.00
Board of Supervisors or City Council Approval.....	20.00
Contract performance inspection.....	20.00
Billing.....	15.00
Record Special Assessment.....	15.00

Sec. 9928--Notification of Costs

The County Engineer shall notify, in writing, all parties concerned and all persons notified pursuant to Section 9917, 9918, or 9926 of the amount of such assessment resulting from such work. Within five days of the receipt of such notice any such party concerned and any other person having any right, title, or interest in the property or part thereof may file with the County Engineer a written request for a hearing on the correctness or reasonableness, or both, of such assessment.

Any such person who did not receive a notice pursuant to Section 9911, Section 9912, Section 9918, or Section 9920, and who has not had a hearing on the necessity of the demolition or other work, in such request for hearing also may ask that such

BUILDING CODE -- Supplement

Page Fourteen

necessity be reviewed. The Building Rehabilitation Appeals Board thereupon shall set the matter for hearing, give such person notice thereof as provided in Section 9918, hold such hearing and determine the reasonableness or correctness of the assessment, or both, and if requested, the necessity of the demolition or other work. The Building Rehabilitation Appeals Board shall notify all such persons of its decision in writing.

If the total assessment determined as provided for in this section is not paid in full within 10 days after mailing of such notice by the County Engineer, the County Engineer shall within 10 days record in the Department of Registrar-Recorder a statement of the total balance still due and a legal description of the property. From the date of such recording, such balance due shall be a special assessment against the property.

Sec. 9929--Collection

The assessment shall be collected at the same time and in the same manner as ordinary county taxes are collected, and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for ordinary county taxes. All laws applicable to the levy, collection and enforcement of county taxes shall be applicable to such special assessment.

Sec. 9930--Salvage

If a building is demolished or necessary work done by the County pursuant to the provisions of this Chapter, the value of any salvage resulting from such demolition or other work may be applied to the cost of such work as follows:

1. If the County enters into a contract with a private contractor, the County may provide in such contract that as a part of the consideration for the services rendered, the contractor shall take title to such salvage.

2. If the contract does not so provide or if the County does the work without such a contract, the County may take title to such salvage and credit the reasonable value thereof on the costs incurred by the County. In any hearing pursuant to this Section to determine the reasonable cost of doing the work, the Building Rehabilitation Appeals Board also may determine the reasonable value, if any, of such salvage.

This section is permissive only and does not require that the value of such salvage be applied to the cost of the work.

Sec. 9931--Work By Private Party

Any person having the legal right to do so may repair or demolish a substandard building or do any other work required to remove the substandard conditions at any time prior to the time when the County does so, but if such person does such work after the time specified in the Notice of Substandard Building or Substandard Property if no hearing was requested, otherwise, after the time specified in the last order of the Building Rehabilitation Appeals Board, all costs incurred by the County in preparation for the doing of such work are chargeable to the property and shall be collected as provided in Section 9928 and Section 9929.

BUILDING CODE -- Supplement

Page Fifteen

If such work is completed after the County Engineer or Purchasing Agent has awarded a contract for such work the contractor shall receive the sum of fifty dollars (\$50) for his overhead and incidental expenses, unless specifically excluded by contract, and such sum of fifty dollars (\$50) plus the amount specified in Section 9927 shall be the costs incurred by the County. If such work is completed before the County Engineer or Purchasing Agent has awarded a contract, the amount specified in Section 9927 shall be the costs incurred by the County.

Sec. 9932--Interference Prohibited

A person shall not obstruct, impede, or interfere with the County Engineer or any representative of the County Engineer, or with any person who owns or holds any interest or estate in a substandard building which has been ordered by the County Engineer or by the Building Rehabilitation Appeals Board to be barricaded, repaired, vacated and repaired, or vacated and demolished or removed, or in any substandard property whenever the County Engineer or such owner is engaged in barricading, repairing, vacating and repairing, or demolishing any such substandard building or removing any substandard conditions, pursuant to this Chapter, or in the performance of any necessary act preliminary to or incidental to such work, or authorized or directed pursuant hereto.

Sec. 9933--Prosecution

In case the owner shall fail, neglect, or refuse to comply with the directions in the Notice of Substandard Building or Substandard Property (if neither he nor any other person requests a hearing) or with any order of the Building Rehabilitation Appeals Board, he shall be guilty of a misdemeanor and the County Engineer may cause such owner of the building or property to be prosecuted as a violator of this Code.

Sec. 9934--Other Abatement Procedures

The provisions of this Chapter shall not in any manner limit or restrict the County or the District Attorney from enforcing County ordinances or abating public nuisances in any other manner provided by law.

Sec. 9935--Vehicles--Adoption By Reference of Section 22660 of Vehicle Code

All of the provisions of Section 22660 of the Vehicle Code are hereby adopted by reference as a part of this ordinance. In the case of any conflict between the provisions of this chapter and the provisions of said Section 22660 the provisions of said Section 22660 shall prevail.

Sec. 9936--Vehicles--Notification of Department of Motor Vehicles

Within five days after the county or any officer thereof removes, pursuant to this chapter, any vehicle or any part thereof, the County Engineer shall so notify the Department of Motor Vehicles identifying the vehicle or part thereof.

BUILDING CODE -- Supplement

Page Sixteen

Sec. 9937--Vehicles--Notification of Highway Patrol

Not less than ten days before the hearing provided for in Section 9920 the County Engineer shall notify the California Highway Patrol thereof identifying the vehicle or part to be removed.

Sec. 9938--Vehicles--Not To Be Reconstructed

A person shall not reconstruct or make operable any vehicle which has been removed by the County pursuant to this Chapter.

Sec. 9939--Vehicles--Exceptions

A vehicle or any part thereof shall not be removed pursuant to this Chapter if such vehicle or part is:

- (a) Completely enclosed within a building in a lawful manner where it is not visible from the street, highway or other public or private property, or
- (b) Stored or parked in a lawful manner on private property in connection with the business of a licensed dismantler, licensed vehicle dealer or junkyard. This exception does not authorize the maintenance of a public or private nuisance.

Sec. 9940--Registration of Vehicle

If any vehicle is removed pursuant to this chapter, the County Engineer shall forward to the Department of Motor Vehicles any evidence of registration available, including registration certificates, certificates of title, and license plates.

Sec. 9941--Proof of Non-Responsibility

The owner of any land upon which a vehicle has been removed was located may appear in person at any hearing provided for in this Chapter or present a written statement in time for consideration at such hearing and deny responsibility for the presence of the vehicle on the land with his reasons for such denial. If it is determined at the hearing that the vehicle was placed on the land without the consent of the land owner and that he has not subsequently acquiesced in its presence, then the County shall not assess costs of administration or removal of the vehicle against the property upon which the vehicle was located or otherwise attempt to collect such costs from such owner.

Sec. 9942--Unfinished Buildings

If the County Engineer finds that:

- (a) An unfinished building or structure has been in the course of construction for an unreasonable time, in no event less than five years, and
- (b) The conditions of the neighborhood and the appearance and other conditions of the unfinished building or structure are such that the said unfinished structure

BUILDING CODE -- Supplement

Page Seventeen

substantially detracts from the appearance of the immediate neighborhood, reduces the values of property in the immediate neighborhood, or is otherwise a nuisance, he shall give to each party concerned a written notice that the owner or person in charge:

- (c) Complete the structure within a time specified in the notice, or
- (d) Demolish the structure within a time specified in the notice, or
- (e) Request a hearing within thirty days of the posting of the notice.

Sec. 9943--Chapter Applies to Unfinished Buildings

All of the provisions of this chapter shall apply to buildings or structures described in Section 9942.

Sec. 9944--Order

After a hearing as provided for in this chapter the Building Rehabilitation Appeals Board shall make findings of fact as to whether or not:

(a) The unfinished building or structure has been in the course of construction for an unreasonable time, in no event less than five (5) years.

(b) The conditions of the neighborhood and the appearance and other conditions of the unfinished building or structure are such that the said unfinished building or structure substantially detracts from the appearance of the immediate neighborhood, or reduces the values of property in the immediate neighborhood, or is otherwise a nuisance.

(c) If the Building Rehabilitation Appeals Board finds that (a) and (b) are all true it shall order that the unfinished building or structure either be finished within a time specified or demolished within a time specified.

APPENDIX F

*Sample Ordinances and
Proposed Congressional Legislation
Regarding Urban Homestead Program*

C O P Y

(Bill No. 543)

AN ORDINANCE

Authorizing the Mayor of the City of Philadelphia to create and appoint members of a Board to be known as The Urban Homestead Board whose purpose shall be to administer programs in Homesteading and Reclamation of City-owned ground and dilapidated properties to proper applicants for the purpose of requiring the ground and/or existing structures to be built upon and/or rehabilitated and used for housing purposes, under certain terms and conditions.

WHEREAS, The City of Philadelphia has become owner of certain properties and ground through abandonment, tax liens, gifts and other legal processes; and

WHEREAS, Many of these properties are located in areas which are blighted, unoccupied, dilapidated and/or economically unproductive; and

WHEREAS, In most instances, private or governmental development of the said vacant ground or structures located thereon is economically unfeasible; and

WHEREAS, These City-owned ground and structures constitute a high percentage of total land area which cannot be readily used or sold by the City; and

WHEREAS, The constant abandonment and forfeiture of unproductive ground and structures are creating a severe problem for the City of Philadelphia in creating blighted, unsightly and ghetto areas; therefore

The Council of the City of Philadelphia hereby ordains:

SECTION 1. The Mayor of the City of Philadelphia is hereby authorized to create and appoint, from a list, supplied by the Council of the City of Philadelphia, containing at least three (3) names for each position as recited in Section 2 hereof, exclusive of the ex-officio appointments, members of a Board to be known as The Urban Homestead Board, whose purpose shall be to administer programs in homesteading and reclamation of City-owned ground and dilapidated properties in accordance with this ordinance.

SECTION 2. The Urban Homestead Board shall be composed of eleven members, who shall be appointed by the Mayor of the City of Philadelphia in the manner stated in Section 1 hereof, who shall also have the power to appoint a chairman of the Board. At least one (1) member shall be selected from each of the following groups: Architects, Contractors, Building Trades Council, Clergymen, representatives of Savings and Loan Associations, the General Public and (2) from City Council as designated by the President of City Council. The Deputy Managing Director for Housing, the Executive Director of the Redevelopment Authority, and the Executive Director of the Philadelphia City Planning Commission shall serve on the Board ex-officio. The Mayor shall appoint the Board within sixty (60) days of the signing of this ordinance.

SECTION 3. The members of the Board shall receive no compensation and shall by majority vote elect a secretary of the Board from its members.

SECTION 4. The members of the Board shall serve for a term of three (3) years. So that the terms of the members of the Board shall continue to be staggered, the initial appointments to the Board excepting the Council members and ex-officio members shall be made as follows: Two (2) for one (1) year, two (2) for two (2) years; two (2) for three (3) years.

SECTION 5. The Board shall prepare regulations to implement the purpose and spirit of urban homesteading and reclamation as here envisioned, said regulations shall become effective after approval by the Law Department of the City of Philadelphia.

SECTION 6. The Board is empowered and has the duty and responsibility to:

A. Compile and maintain a catalogue of all City-owned vacant structures and vacant ground, and determine whether said structures and ground are appropriate for inclusion in homesteading programs. In carrying out this responsibility, the Board shall utilize the aid and assistance of other relevant City agencies, which City agencies shall cooperate with the Urban Homestead Board.

B. With the cooperation of the Department of Collections, shall recommend to the City Solicitor and the City Solicitor shall institute sheriff foreclosure proceedings against certain vacant ground and structures to obtain title in the City's name for prompt transfer to successful homestead bidders.

C. Recommend to the Department of Licenses and Inspections and the Department of Licenses and Inspections shall institute public nuisance proceedings against certain deteriorated and blighted structures for demolition.

D. Recommend to the Department of Licenses and Inspections and the Department of Licenses and Inspections shall exempt homesteaders, who are rehabilitating existing structures, from the enforcement of sections 200 through 206 of Title 7 of the housing code for two years.

E. Approve applicants for participation in programs in homesteading and reclamation after certifying that an applicant:

1. Is twenty-one years of age or head of a family;
2. Is a citizen of the United States or has legally declared his/her intentions to become such;
3. Has proven financial ability and/or building trade skills to build on or rehabilitate approved ground or structure to building and housing code standards;
4. Has contractually agreed to build on approved ground or rehabilitate approved structures to building and housing code standards, beginning said building or rehabilitation no later than sixty days after title has been acquired; and
5. Has covenanted to live in and occupy said structure for a period of not less than five years.

F. Assist applicants in submitting bids for approved ground or structures. Said bids shall be in compliance with requirements of City Charter. The considerations of said bids shall include:

- (a) a contractual agreement to build or rehabilitate structure according to a plan to be submitted and approved prior to title passing to the applicant, commencing said building or rehabilitation not later than sixty (60) days after acquiring title;
- (b) a covenant to live-in and occupy said structure for five years; and
- (c) a sum of money in an amount not less than one dollar (\$1.00).

G. With the cooperation of the Department of Public Property, recommend for approval by City Council the acceptance of the best bids from applicants.

H. Aid and assist applicant in applying for necessary financial assistance to complete the rehabilitation of the assigned ground and structure.

I. Obtain a reevaluation and reassessment of the approved ground and structures as to present values before conveyance of title to homesteader.

J. Recommend for approval and certification by City Council exemptions of homesteaders from paying real property tax on assessed valuation of improvements to ground and structures in accordance with Act No. 34 of the General Assembly of the Commonwealth of Pennsylvania dated January 1, 1971.

K. Recommend to City Council the establishment of various Community Homesteading Areas and such areas shall not be established except by ordinance of City Council and to appoint Councils in various homesteading areas, consisting of local community and civic organizations and indigenous community leaders to promote, assist, and advise the Board on homesteading programs in their respective area.

SECTION 7. The Urban Homestead Board is empowered to hire staff and obtain aid and assistance from other City agencies to implement its programs and policies.

SECTION 8. The amount of five hundred thousand (500,000) dollars specified in the Capital Program and Capital Budget shall be for the use of this Board, any other funds, not specifically appropriated to this Board for its use, shall be from funds now or hereafter appropriated to the Office of Managing Director.

1 AN ORDINANCE AMENDING THE CITY CODE BY ADDING A NEW CHAPTER 33A
2 ENTITLED "HOMESTEAD PROGRAM" FOR THE PURPOSE OF MAKING AVAILABLE
3 TO PROPER APPLICANTS CITY-OWNED GROUND AND RECLAIMABLE DWELLINGS
4 ON CONDITION THAT SUCH APPLICANTS CONSTRUCT ON OR REHABILITATE
5 SUCH PROPERTY TO CONFORM TO CITY CODE STANDARDS AND THUS RETURN
6 SAID PROPERTY TO THE TAX ROLLS.

7 WHEREAS, The Home Rule Charter of The City of Wilmington provides that the
8 City may acquire, hold, manage and dispose of property; and

9 WHEREAS, The City of Wilmington has become owner of certain properties
10 through abandonment, tax liens, gifts and other legal processes; and

11 WHEREAS, many of the properties so owned by the City are unoccupied,
12 deteriorated, deteriorating, and economically unproductive; and

13 WHEREAS, in most instances, commercial housing development of such properties
14 is economically unfeasible or unattractive; and

15 WHEREAS, The growing number of such properties owned by the City is creating
16 a severe shortage of habitable dwellings in the City and furthering creation of
17 blighted, unsightly and dangerous conditions.

18 THE COUNCIL OF THE CITY OF WILMINGTON HEREBY ORDAINS:

19 SECTION 1. The Homestead Program is hereby established to become effective
20 immediately upon approval of this Ordinance by the Mayor of The City of
21 Wilmington.

22 SECTION 2. The Department of Licenses and Inspections, in conjunction with
23 the Department of Planning and Development, shall compile and maintain a catalog
24 of all unoccupied dwellings and vacant lots owned by the City which the
25 Department of Licenses and Inspections shall determine to be parcels that can
26 be utilized for rehabilitation or new construction by private individuals.

27 SECTION 3. The Council, upon recommendation of the City Planning Commission,
28 shall by resolution approve the parcels cataloged under Section 2 hereof for
29 disposition for the public purpose of improving the quality of housing in

1 accordance with the Homestead Program and not as a sale of surplus land under
2 Sec. 30-11 through Sec. 30-14 of the Wilmington City Code and any amendments or
3 replacements thereof.

4 SECTION 4. Homestead Program property will be offered to qualified appli-
5 cants at no initial cost on a conditional deed basis provided that the applicant:

6 (1) Is eighteen years of age and is the head of a family.

7 (2) Is a citizen of the United States or a registered alien.

8 (3) Prove financial and know-how ability to rehabilitate an existing
9 dwelling or construct a new dwelling, as the case might be.

10 (4) Has contractually agreed to rehabilitate or construct on, as the
11 case might be, the parcel assigned to him and further agrees to:

12 (a) Bring the assigned parcel up to Wilmington City Code
13 standards within eighteen months after assignment of the
14 parcels to him; and

15 (b) Permit periodic inspections by the Department of Licenses and
16 Inspections, but not more often than once during any three
17 month period, for a determination by that Department of
18 whether reasonable, satisfactory progress is being made by
19 the applicant in rehabilitating or constructing on the parcel
20 assigned to him; and

21 (c) Surrender and quit the assigned parcel in a condition at least
22 equal to that when first assigned upon 30 days notice by the
23 Department of Licenses and Inspections when, as a result of a
24 periodic inspection, that Department determines that the
25 applicant has become unable or unwilling to proceed reasonably
26 or satisfactorily toward fulfilling the objectives and
27 conditions of this Section; and

(d) Live in, occupy, and maintain as a single family dwelling to City Code standards the parcel assigned to him for a period of not less than three years.

SECTION 5. Upon the approval of an applicant, as hereinafter provided, the Mayor of the City of Wilmington and the City Clerk shall execute a conditional deed to the assigned parcel to the applicant.

SECTION 6. If and when the conditions of Section 4 hereof are fulfilled, as determined and certified by the Department of Licenses and Inspections and the Homestead Board, the Mayor of The City of Wilmington and the City Clerk shall execute all documents necessary to convey a fee simple title to the assigned parcel to the applicant so qualifying.

SECTION 7. The Mayor of The City of Wilmington is hereby authorized to create and appoint members of a Board to be known as the Homestead Board, whose purposes shall be to administer the Homestead Program.

SECTION 8. The Homestead Board shall be composed of no less than three nor more than five members.

SECTION 9. The members of the Board shall receive no compensation and shall by majority vote appoint a secretary of the Board.

SECTION 10. The Board shall promulgate regulations consistent with the purpose and spirit of the Homestead Program as outlined herein, said regulations to be approved by the Law Department.

SECTION 11. The Board is empowered and has the duty and responsibility to:

- (1) Review and publicize, by newspaper advertising or some other effective method, the availability of Homestead Program properties.
- (2) Accept and review applications and determine the qualifications of applicants within the criteria established by this Ordinance and the regulations promulgated hereunder.

(3) Approve and certify applicants with a view toward compatability of the applicant and the parcel assigned to him.

(4) Approve and recommend the execution, by the Mayor and the City Clerk, of a conditional deed to the assigned parcel upon the applicant being approved.

(5) Approve and recommend the execution, by the Mayor and the City Clerk, of all documents necessary to convey fee simple title to the assigned parcel to the applicant upon the applicant's fulfillment of all conditions enumerated in Section 4 hereof.

SECTION 12. The Homestead Board is empowered to utilize the aid and assistance of other relevant City agencies in the furtherance of the duties and responsibilities of the Board.

SECTION 13. It is hereby declared to be the intention of the Council of The City of Wilmington that these sections, paragraphs, sentences, clauses and phrases of this ordinance are severable and if any section, paragraph, sentence, clause or phrase shall be declared unconstitutional or otherwise invalid by the valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses and phrases of this ordinance.

First Reading . . . May 10, 1973

Second Reading . . May 10, 1973

Third Reading . . . May 17, 1973

Passed by City Council, May 17, 1973

s/

President of City Council

ATTEST: s/

City Clerk

Approved: May 18, 1973

s/

Mayor

C O P Y

93d CONGRESS
1st Session

S. 2676

IN THE SENATE OF THE UNITED STATES

November 9, 1973

Mr. Biden introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

A BILL

To authorize the Secretary of Housing and Urban Development to assist local housing agencies in disposing of vacant housing, and to provide rehabilitation funds to individuals and families who are participants in a homestead program.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "National Homestead Assistance Act".

TRANSFER OF HOUSING

SEC. 2. (a) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall transfer without payment to a local public agency any real property--

- (1) which is improved by a single family dwelling;
- (2) to which the Secretary holds title;
- (3) which is not occupied;
- (4) which is suitable for use by such agency in an urban homestead program which meets the requirements of section 3; and

(5) which is requested by such agency for use in such an urban homestead program.

(b) In the case of any property transferred under this section with respect to which assistance payments under section 235 of the National Housing Act were being made prior to the Secretary's acquisition of title thereto, the Secretary shall, to the maximum extent practicable, make such transfer on terms and conditions which make such housing available under the homestead program to persons who would be eligible for such assistance payments.

PROGRAM CRITERIA

SEC. 3. For the purpose of section 2, the Secretary may approve an urban homestead program carried out by a local public agency which provides for--

(1) the conditional conveyance of abandoned residential property by a local housing agency to an individual or a family without any substantial consideration;

(2) an equitable procedure for selecting the recipients of the abandoned residential property, giving special consideration to the recipients' need for housing and capacity to make or cause to be made the repairs and improvements required under paragraph (3) (C) of this section.

(3) an agreement whereby the individual or family to whom such property is conveyed agrees to--

(A) occupy such property as a principal residence for a period of not less than three years;

(B) make repairs required to meet minimum local standards for occupancy prior to occupying the property;

(C) make such repairs and improvements to the property as may be necessary to meet applicable local standards for decent, safe, and sanitary housing within eighteen months after occupying the property; and

(D) permit reasonable periodic inspections at reasonable times by employees of the agency for the purpose of determining compliance with the agreement;

(4) the revocation of such conveyance upon any material breach of the agreement referred to in clause (3);

(5) the conveyance from a local agency of fee simple title in such property without substantial consideration upon compliance with the agreement; and

(6) a coordinated approach toward neighborhood renewal through the homestead program and the upgrading of community services and facilities.

COORDINATION WITH OTHER FEDERAL PROGRAMS

SEC. 4. (a) The Secretary is authorized to enter into agreements with local public agencies to provide for a coordinated application of other programs administered by the Secretary to assist in the revitalization of neighborhoods through an urban homestead program which meets the requirements of section 2 of this Act.

(b) Section 312(a) (1) of the Housing Act of 1964 is amended by adding at the end thereof the following new clause:

"(D) (i) the property is being occupied pursuant to an agreement entered into under section 3(3) of the Homestead Assistance Act, and
(ii) the loan is made to assist the occupant in carrying out his

responsibilities under that agreement;".

ADMINISTRATION

SEC. 5. The Secretary is authorized to issue such rules and regulations as may be necessary to carry out his functions under this Act.

EVALUATION AND REPORT

SEC. 6. The Secretary shall conduct a continuing evaluation of programs carried out pursuant to this Act and, beginning with the third year following the date of enactment of this Act, shall transmit to the Congress an annual report containing a summary of his evaluation of such programs and his recommendations for future conduct of such programs.

AUTHORIZATION OF APPROPRIATIONS

SEC. 7. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

C O P Y

93d CONGRESS
1st Session

H. R. 10926

IN THE HOUSE OF REPRESENTATIVES

October 16, 1973

MRS. HOLT (for herself, Ms. Abzug, Mr. Baker, Mrs. Chisholm, Mr. Cronin, Mr. Derwinski, Mr. Hogan, Mr. Huber, Mr. Ketchum, Mr. O'Brien, Mr. O'Hara, Mr. Pepper, Mr. Pettis, Mr. Podell, Mr. Rangel, Mr. Riegle, Mr. Rooney of Pennsylvania, Mr. Rousselot, Mrs. Schroeder, Mr. Towell of Nevada, Mr. Ware and Mr. Wolff) introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To establish a national homestead program under which single-family dwellings owned by the Secretary of Housing and Urban Development may be conveyed at nominal cost to individuals and families who will occupy and rehabilitate them.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Homestead Act of 1973".

SEC. 2. It is the purpose of this Act to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

SEC. 3. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall--

(1) compile, maintain, and keep current a catalog of all unoccupied

1 single-family dwellings in urban and other areas within the United
2 States which are owned by him or his Department, and which would be
3 suitable for occupancy and rehabilitation by qualified low- and
4 moderate-income individuals and families under the national homestead
5 program established by this Act; and

6 (2) take such steps as may be necessary or appropriate (by publi-
7 cation, advertisement, or otherwise) to assure that the residents of
8 each community or area in which any of such dwellings is located will
9 be fully and currently informed of (A) the existence, nature, and loca-
10 tion of such dwellings, (B) the qualifications required for participation
11 in the program under this Act, and (C) the terms and conditions on which
12 such dwellings may be conveyed to qualified persons.

13 (b) The dwellings included in the catalog compiled under subsection (a)
14 shall be offered to qualified low- and moderate-income applicants in accordance
15 with this Act, without regard to their race, color, religion, sex, or national
16 origin but with due consideration in each case of the suitability of the dwelling
17 involved for the applicant's family (taking into account its size and composition
18 and other relevant factors).

19 SEC. 4. An applicant is qualified, for purposes of participation in the
20 program under this Act with respect to any dwelling, only if he or she--

- 21 (1) is eighteen years of age or older;
22 (2) is the head of his or her household;
23 (3) is a citizen of the United States;
24 (4) has not previously participated in the program;
25 (5) is not the owner of any other real property; and

1 (6) possesses the financial, technical, and other resources which
2 are necessary (as determined under regulations prescribed by the Secretary)
3 to rehabilitate such dwelling in accordance with his or her agreement
4 entered into under section 5.

5 SEC. 5. (a) The conveyance of any dwelling to an applicant under the
6 program shall be made on a conditional basis, in return for the payment by such
7 applicant of \$1 and the execution by such applicant of an agreement as described
8 in subsection (b).

9 (b) Each applicant for a dwelling under the program shall enter into an
10 agreement, in such manner and form as the Secretary may require, that he or she--

11 (1) will reside in the dwelling (and maintain it as his or her
12 principal residence) for a period of at least five years;

13 (2) will during such period rehabilitate and maintain the dwelling
14 so that it satisfies all of the requirements of applicable State and local
15 law, including building, plumbing, electrical, fire prevention, and related
16 codes;

17 (3) will carry adequate fire and liability insurance on the dwelling
18 at all times;

19 (4) will permit inspections of the dwelling to be made at reasonable
20 times by agents or employees of the Secretary for the purpose of determining
21 the progress of the rehabilitation; and

22 (5) will comply with such additional terms, conditions, and require-
23 ments as the Secretary may impose in order to assure that the purpose of
24 this Act is carried out.

25 (c) Upon any material failure by the applicant to carry out his or her

1 agreement entered into under subsection (b) with respect to the dwelling, the
2 conditional conveyance of title to such applicant under subsection (a) shall be
3 revoked, and all right, title, and interest in and to the dwelling shall revert
4 to the Secretary; except that the Secretary may in his discretion grant the
5 applicant, on the basis of need or otherwise, a specified period or extension
6 of time not exceeding two years in which to come into compliance with the terms
7 of the agreement and thereby avoid such revocation and reversion.

8 (d) After the applicant has resided in the dwelling for the required
9 five-year period and has rehabilitated and maintained it and otherwise complied
10 with the terms of his or her agreement throughout such period, the Secretary
11 shall convey to the applicant fee simple title to the dwelling (including the
12 land on which it is situated).

13 SEC. 6. The Secretary shall prescribe such rules and regulations, in-
14 cluding rules and regulations establishing standards and methods for the inspection
15 of dwellings and the measurement of rehabilitation progress, as may be necessary
16 or appropriate to carry out this Act.

17 SEC. 7. (a) The legal title to and ownership of any dwelling condition-
18 ally conveyed to an applicant under section 5(a) shall remain in the Secretary
19 for purposes of all Federal, State, and local laws until fee simple title to
20 such dwelling is conveyed to such applicant under section 5(d); and the con-
21 ditional conveyance of such dwelling shall specifically so provide. During the
22 period prior to fee simple conveyance such dwelling shall be subject to State
23 and local property taxes only to the extent that other federally owned real
24 property is or would be subject to such taxes under similar conditions.

25 (b) To the extent he finds it feasible and desirable and consistent with

1 the purpose of this Act, the Secretary may enter into agreements with State
2 and local governments and agencies under which single-family dwellings owned by
3 them may be included in the catalog compiled under section 2. Under regulations
4 prescribed by the Secretary, modifying the provisions of this Act to the extent
5 necessary or appropriate to take account of differences resulting from State or
6 local ownership, any dwellings so included shall be offered and conveyed to
7 qualified applicants in the same manner and on the same terms and conditions as
8 dwellings owned by the Secretary.

9 SEC. 8. There are authorized to be appropriated such sums as may be
10 necessary to carry out this Act.

C O P Y

93d CONGRESS

2d Session

H. R. 12220

IN THE HOUSE OF REPRESENTATIVES

January 22, 1974

Mr. Veysey introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To establish a national homestead program under which single-family dwellings owned by the Secretary of Housing and Urban Development may be conveyed at nominal cost to individuals and families who will occupy and rehabilitate them.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Homestead Act of 1973".

SEC. 2. It is the purpose of this Act to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

SEC. 3. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall--

(1) compile, maintain, and keep current a catalog of all unoccupied single-family dwellings in urban and other areas within the United States which are owned by him or his Department, and which would be suitable for occupancy and rehabilitation by qualified low- and moderate-

1 income individuals and families under the national homestead program
2 established by this Act; and

3 (2) take such steps as may be necessary or appropriate (by publica-
4 tion, advertisement, or otherwise) to assure that the residents of each
5 community or area in which any of such dwellings is located will be
6 fully and currently informed of (A) the existence, nature, and location
7 of such dwellings, (B) the qualifications required for participation in
8 the program under this Act, and (C) the terms and conditions on which
9 such dwellings may be conveyed to qualified persons.

10 (b) The dwellings included in the catalog compiled under subsection (a)
11 shall be offered to qualified low- and moderate-income applicants in accordance
12 with this Act, without regard to their race, color, religion, sex, or national
13 origin but with due consideration in each case of the suitability of the dwelling
14 involved for the applicant's family (taking into account its size and composition
15 and other relevant factors).

16 SEC. 4. An applicant is qualified, for purposes of participation in the
17 program under this Act with respect to any dwelling, only if he or she--

- 18 (1) is eighteen years of age or older;
19 (2) is the head of his or her household;
20 (3) is a citizen of the United States;
21 (4) has not previously participated in the program;
22 (5) is not the owner of any other real property; and
23 (6) possesses the financial, technical, and other resources which
24 are necessary (as determined under regulations prescribed by the
25 Secretary) to rehabilitate such dwelling in accordance with his or

her agreement entered into under section 5.

SEC. 5. (a) The conveyance of any dwelling to an applicant under the program shall be made on a conditional basis, in return for the payment by such applicant of \$1 and the execution by such applicant of an agreement as described in subsection (b).

(b) Each applicant for a dwelling under the program shall enter into an agreement, in such manner and form as the Secretary may require, that he or she--

(1) will reside in the dwelling (and maintain it as his or her principal residence) for a period of at least five years;

(2) will during such period rehabilitate and maintain the dwelling so that it satisfies all of the requirements of applicable State and local law, including building, plumbing, electrical, fire prevention, and related codes;

(3) will carry adequate fire and liability insurance on the dwelling at all times;

(4) will permit inspections of the dwelling to be made at reasonable times by agents or employees of the Secretary for the purpose of determining the progress of the rehabilitation; and

(5) will comply with such additional terms, conditions, and requirements as the Secretary may impose in order to assure that the purpose of this Act is carried out.

(c) Upon any material failure by the applicant to carry out his or her agreement entered into under subsection (b) with respect to the dwelling, the conditional conveyance of title to such applicant under subsection (a) shall be revoked, and all right, title, and interest in and to the dwelling shall revert

1 to the Secretary; except that the Secretary may in his discretion grant the
2 applicant, on the basis of need or otherwise, a specified period or extension
3 of time not exceeding two years in which to come into compliance with the
4 terms of the agreement and thereby avoid such revocation and reversion.

5 (d) After the applicant has resided in the dwelling for the required
6 five-year period and has rehabilitated and maintained it and otherwise complied
7 with the terms of his or her agreement throughout such period, the Secretary
8 shall convey to the applicant fee simple title to the dwelling (including the
9 land on which it is situated).

10 SEC. 6. The Secretary shall prescribe such rules and regulations, including
11 rules and regulations establishing standards and methods for the inspection of
12 dwellings and the measurement of rehabilitation progress, as may be necessary
13 or appropriate to carry out this Act.

14 SEC. 7. (a) The legal title to and ownership of any dwelling conditionally
15 conveyed to an applicant under section 5(a) shall remain in the Secretary for
16 purposes of all Federal, State, and local laws until fee simple title to such
17 dwelling is conveyed to such applicant under section 5(d); and the conditional
18 conveyance of such dwelling shall specifically so provide. During the period
19 prior to fee simple conveyance such dwelling shall be subject to State and local
20 property taxes only to the extent that other federally owned real property is
21 or would be subject to such taxes under similar conditions.

22 (b) To the extent he finds it feasible and desirable and consistent with
23 the purpose of this Act, the Secretary may enter into agreements with State and
24 local governments and agencies under which single-family dwellings owned by them
25 may be included in the catalog compiled under section 2. Under regulations

1 prescribed by the Secretary, modifying the provisions of this Act to the extent
2 necessary or appropriate to take account of differences resulting from State or
3 local ownership, any dwellings so included shall be offered and conveyed to
4 qualified applicants in the same manner and on the same terms and conditions
5 as dwellings owned by the Secretary.

6 SEC. 8. There are authorized to be appropriated such sums as may be
7 necessary to carry out this Act.
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPENDIX G

*HUD Application for Certification
of Home Ownership Counseling*

HM 7610.1

CHAPTER 1, APPENDIX 1

HUD-9900
Page 1
June 1971

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Form Approved
OMB No. 63-R1302PROPOSAL FOR DETERMINATION OF ELIGIBILITY
AS A COUNSELING AGENCY UNDERAGENCY _____
*Name of Agency*ADDRESS _____
*Number Street*_____
*City State ZIP*_____
*Phone Name and Title of Representative*Responsible Area/Insuring Office _____
City State

The above named agency requests authorization to provide homeownership counseling services under Section 235 and 237 of the National Housing Act.

1. The _____ received its
(Name of Counseling Agency)
- Charter on _____ pursuant to _____
(Date) (Cite Statute)
- of the laws of the State of _____.
2. Purpose for which the counseling agency was formed (as stated in its Charter; attach a copy of Charter to this form):

6/71

HUD-9900
Page 3
June 1971

8. In attached exhibits, complete information is furnished for each of the items set forth below:
- a. A detailed summary of the proposed counseling program; this summary must include:
 - (1) Services currently provided;
 - (2) Scope of services to be provided under the homeownership counseling program;
 - (3) Complementary services to be made available through other community service agencies; also indicate those agencies with which working arrangements exist;
 - (4) A list of public agencies contacted about the possibility of their providing services and assistance, the responses received from each contact, and the services and assistance each agency will provide;
 - (5) Definition and description of geographical area to be served. (Include map if possible).
 - b. A list of the officers and directors (board members) of the agency, including names, addresses and titles of position.
 - c. Cost information, including a current and projected budget, and a statement of the source of funds for the counseling program.
 - d. Written assurance that the agency's services for HUD meet all local and state legal requirements.
 - e. A copy of all forms to be used in providing the counseling service.
 - f. Resumes of professional staff members who will be responsible for homeownership counseling.
 - g. Written evidence that the governing body of the applicant organization has approved this proposal and that the person(s) who sign(s) the proposal is (are) authorized to do so on behalf of the organization. Such evidence shall consist of one of the following: a notarized copy of the minutes of the meeting when the organization approved the proposal and authorized it to be signed by a specified person or persons (This may consist of an extract of the pertinent minute.) or a notarized statement on the organization's letterhead and signed by the organization's chief officer indicating that the governing body of the organization has approved the proposal and authorized the person or persons named in the statement to sign the proposal on behalf of the governing body.

HM 7610.1

CHAPTER 1, APPENDIX 1

HUD-9900
Page 4
June 1971

To the best of my knowledge and belief, the foregoing information and that contained in the attached exhibits are true and correct.

Signature

Title

Date

6/71

Page 4

HUD-Wash., D. C.

APPENDIX H

*Agenda and Governmental Participants
of the Meeting of the Committee
on October 19, 1973*

APPENDIX H

POMONA VALLEY ACTION COMMITTEE ON ABANDONED HOUSING

October 19, 1973
2:30 p.m.

Pomona Public Library Conference Room

Introductions

by

Charles W. Bader
Councilman, City of Pomona
Chairman, PVACAH

Participants

Congress of the United States

Congressman Jerry L. Pettis, 33rd California District
Mr. Edward Negrete, Field Representative for Congressman Pettis
Mr. John Foote, District Representative for Congressman Wiggins
Mr. John Zarate, Field Representative for Congressman Brown

Department of Housing and Urban Development

Mr. Richard Gross, Real Property Officer, San Francisco Office
Mr. Paul Kaup, Director of Housing Management, Los Angeles Office
Mr. Philip Rask, Acting Disposition Officer, Los Angeles Office
Mr. Richard Franco, Director of Equal Opportunity
Mr. Robert Chatham, Legal Counsel
Mr. Robert Simpson, Director, Santa Ana Office
Mr. Ray Moore, Deputy Director, Santa Ana Office
Mr. D. S. Bell, Jr., Real Property Officer, Santa Ana Office

City of Chino

Councilman Angel Martinez (Subcommittee Chairman for Abandoned
Housing Maintenance)
Mr. Gale Carr, Director of Community Development

City of Claremont

Mayor R. Craig McManigal
Councilwoman Claire McDonald (Subcommittee Chairman for Causes
of Abandoned Housing)
Councilman Frank Hungerford
Mrs. Sharon Hightower, Planning Director

Pomona Valley Action Committee on Abandoned Housing
October 19, 1973

Page Two

City of La Verne

Mayor Mike M. Morales
Mr. Charles LeGros, Planning Director
Miss Sidney McIntire, Planning Assistant

City of Montclair

Mayor Harold Hayes
Councilman Paul Jones (Subcommittee Chairman for Abandoned Housing
Resales)
Mr. Mike Loehr, Community Development Director

City of Ontario

Mayor Howard Snider
Mr. Jim Coulter, Planning and Zoning Director

City of San Dimas

Mayor Thomas Nuss
Mr. Richard Kumer, Building and Safety Superintendent
Mr. Frank Basile, City Engineer

City of Upland

Mayor Abner Haldeman
Councilman John McCarthy
Jose Fuentes, Personnel Director

City of Walnut

Mayor Richard Laughter
Mr. Terry James, Administrative Assistant

City of Pomona

Mayor Ray J. Lepire
Vice Mayor Richard T. French
Councilman Adrian T. Wright
Councilman Benjamin Ochoa, Sr.
Councilman Charles W. Bader (Chairman, Pomona Valley Action
Committee on Abandoned Housing)
Mr. Jerrold R. Gonce, City Administrator
Mr. L. B. Thomas, City Clerk
Mr. Patrick J. Sampson, City Attorney
Mr. Joseph F. Korpsak, Assistant City Administrator
Mr. Eugene B. Pester, Director of Community Development
Mr. Sanford Sorensen, City Planner
Mrs. Maggie O'Donnell, Housing Coordinator

Pomona Valley Action Committee on Abandoned Housing
October 19, 1973

Page Three

Agenda

1. Background presentation re: Abandoned housing problem,
by Chairman Charles W. Bader.
2. Slide presentation re: Conditions of abandoned housing,
by City of Pomona Housing Coordinator Maggie O'Donnell.
3. Recommendations for improvement, by Chairman Charles W. Bader.
4. Questions, answers and discussion by participants.
5. Adjournment.

APPENDIX I

*Agenda and Press Release Regarding
Approval of Abandoned Housing Report On
February 6, 1974*

APPENDIX I

THE GREATER POMONA VALLEY MAYORS' ACTION COMMITTEE
ON
ABANDONED HOUSING

February 6, 1974
3:00 P. M.

City of Ontario, Colony Park Building

Introductions
by

Charles W. Bader
Vice Mayor, City of Pomona
Committee Chairman

of

Official Committee Members

Paul Jones, Chairman, Subcommittee on Resales
Councilman, City of Montclair
Angel Martinez, Chairman, Subcommittee on Maintenance,
Councilman, City of Chino
Claire McDonald, Chairwoman, Subcommittee on Causes,
Councilwoman, City of Claremont
Harold Hayes, Mayor, City of Montclair,
President, League of California Cities
Abner Haldeman, Mayor, City of Upland
Frank Hungerford, Councilman, City of Claremont
Richard Laughter, Mayor, City of Walnut
James Lough, Mayor, City of San Dimas
Michael Morales, Mayor, City of La Verne
Bertye Smith, Mayor, City of Claremont
Howard Snider, Mayor, City of Ontario
Ray Lepire, Mayor, City of Pomona
Benjamin Ochoa, Sr., Councilman, City of Pomona
Adrian Wright, Councilman, City of Pomona

Mayors' Action Committee
on Abandoned Housing
February 6, 1974

Page Two

AGENDA

1. Summary and Recommendations of Abandoned Housing Report.
2. Explanation of Report Recommendations by Sharon Hightower, Joe Korpsak and Maggie O'Donnell.
3. Additional recommendations for consideration.
4. Approval and adoption of recommendations by Committee.
5. Plan for implementation of recommendations.
6. Adjournment.

FOR IMMEDIATE RELEASE

Joseph F. Korpsak
Assistant to the City
Administrator
City Hall
Pomona, California
(714) 620-2051

February 7, 1974

The Greater Pomona Valley Mayors' Action Committee approved its summary and recommendation report on abandoned housing at its last meeting as an ad hoc committee on February 6, 1974, at the City of Ontario's Colony Park Building. The committee has consisted of elected representatives from the City Councils of Chino, Claremont, La Verne, Montclair, Ontario, Pomona, San Dimas, Upland and Walnut.

In unanimously adopting the recommendations of the report, the Committee recommended:

1. that all cities enact and enforce ordinances to require maintenance of occupied and unoccupied property, and implement a surveillance system for abandoned houses;
2. that the U. S. Department of Housing and Urban Development (HUD) (FHA) should increase the required down payment for federally insured and subsidized housing;
3. that home ownership counseling assistance should be rendered to families with mortgage delinquencies, loan defaults, or who purchase housing;
4. that government-insured repossessed homes should be resold by the lending institution without reverting back to FHA; resales should be sold on an individual rather

- M O R E -

For Immediate Release
By Joseph F. Korpsak
Pomona City Hall
(714) 620-2051
February 7, 1974

Page Two

than solely on a bulk-sale basis, and all valid offers for purchase of FHA housing should be responded to within ten days by FHA;

5. that abandoned houses should be transferred to cities for experimental programs such as urban homesteading, greenbelting, development of community centers and mini-parks;
6. that HUD should institute an FHA real estate management office with jurisdiction to service all the nine Valley cities located in the two-county area;
7. that cities should utilize the program of HUD's Section 23 leased housing for homes which are abandoned or require rehabilitation; and
8. that the nine participating cities should establish a Valley Association of Cities to implement the area-wide solutions of abandoned housing.

Mr. Charles Bader, Vice Mayor of Pomona, was unanimously selected as Acting Chairman of the proposed Valley Association of Cities, and Mr. Joe Korpsak, Assistant to the City Administrator of Pomona, was unanimously selected as Acting Executive Officer.

- M O R E -

For Immediate Release
By Joseph F. Korpsak
Pomona City Hall
(714) 620-2051
February 7, 1974

Page Three

Bader and Korpsak will now prepare a model implementing ordinance for each of the nine Valley cities to consider in the next two weeks in order to formally participate in and establish the Valley Association of Cities.

The committee, in recommending the establishment of a Valley Association of Cities, should not be likened to the Southern California Association of Governments (SCAG) or San Bernardino Associated Governments (SANBAG) because these organizations are regional planning agencies which are county-wide in scope.

The Association is intended to be limited to only the nine-city area, which combined represents a population of approximately 300,000 persons. The Association, if established, would be considered a consortium of cities and would be eligible to receive various federal grants (i.e., Comprehensive Employment and Training Act) which they wouldn't be eligible to receive as individual cities due to size and lack of coordination.

Funding for the Association and implementation of the abandoned housing recommendations is currently being discussed with HUD. Also, should the Association be established by March 1, 1974, the proposed Board of Directors could journey to Washington, D.C. on March 3 to 5 in conjunction with the National League of Cities-U. S. Conference of Mayors' Congressional City Conference

- M O R E -

For Immediate Release
By Joseph F. Korpsak
Pomona City Hall
(714) 620-2051
February 7, 1974

Page Four

to confer with HUD officials.

Chairman Bader believes that "one of the principle strengths of the Association would be its political impact of nine united cities and its ability to get attention and commitments to solve its area-wide issues such as housing, employment, and economic development."

#

APPENDIX J

*Model Resolution to Form Consortium
of Valley Association of Cities*

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF _____,
COUNTY OF _____, STATE OF CALIFORNIA,
AUTHORIZING THE JOINING OF THE VALLEY ASSOCIATION OF CITIES.

WHEREAS, the Cities of Chino, Claremont, La Verne, Montclair, Ontario, Pomona, San Dimas, Upland and Walnut previously joined together in mutual projects, such as the Greater Pomona Valley Mayors' Action Committee on Abandoned Housing (hereafter referred to as "the Committee"); and

WHEREAS, this Committee on February 6, 1974 unanimously approved its Summary and Recommendation Report (attached as Exhibit A) which included the following recommendations:

1. that all Cities enact and enforce ordinances to require maintenance of occupied and unoccupied property, and implement a surveillance system for abandoned houses;
2. that the U. S. Department of Housing and Urban Development-Federal Housing Administration (hereafter referred to as "HUD-FHA") should increase the required down payment for federally-insured and subsidized housing;
3. that home ownership counseling should be rendered to families with mortgage delinquencies, loan defaults or newly purchased housing;
4. that government-insured repossessed homes should be resold by the lending institution without reverting back to FHA; resales should be sold on an individual basis rather than solely on a bulk-sale basis; and all valid offers for purchase of FHA housing should be responded to within ten days by FHA;
5. that abandoned houses should be transferred to cities for experimental

1 programs such as urban homesteading, green-belting, development of
2 community centers or mini-parks;

3 6. that HUD should assign an FHA Real Estate Specialist with jurisdiction
4 to service all the nine Valley cities located in the two county area;

5 7. that cities should utilize HUD's Section 23 leased housing program
6 for homes which are abandoned or require rehabilitation; and

7 WHEREAS, the Committee unanimously approved the recommendation that a
8 Valley Association of Cities (hereafter referred to as "the Association") be
9 formed to implement the region-wide recommendations regarding abandoned housing,
10 including a surveillance system, home ownership counseling, urban homesteading,
11 Section 23 leased housing and maintenance of abandoned housing; and

12 WHEREAS, the Committee unanimously approved that membership and participation
13 in the Association be limited to only the nine Valley cities and that each City
14 Council approve its joining; and

15 WHEREAS, the Committee unanimously approved the drawing-up of a model
16 resolution for each City's consideration.

17 NOW, THEREFORE, BE IT RESOLVED by the Council of the City of _____
18 as follows:

19 SECTION 1. That the City Council approves joining and participating in the
20 Valley Association of Cities by the City of _____;

21 SECTION 2. That the goals and objectives of the Association shall be to
22 implement the area-wide recommendations pertaining to abandoned housing and to
23 secure and administer consortium grants which would be beneficial to each member
24 city;

25 SECTION 3. That the Association shall be a non-profit, incorporated

organization, with its own paid, full-time professional staff and its offices shall be located in a private office building;

SECTION 4. That the expenses of the Association shall be financed from available County, State, Federal and private grants-in-aid;

SECTION 5. That initial staffing of the Association shall consist of an Executive Officer, Housing Assistant, Grants Assistant, and Senior Typist-Clerk;

SECTION 6. That the legislative body of the Association shall consist of a Board of Directors (hereafter referred to as "Directors") of elected officials from each of the participating cities; that each City shall be entitled to one Director representative for each 20,000 resident population; that under this formula, the following Directors would be constituted:

City	Population	Board Members	City	Population	Board Members
Chino	20,411	1	Claremont	23,464	1
Montclair	22,546	1	La Verne	18,957	1
Ontario	64,118	3	Walnut	87,384	4
Upland	32,551	2	Pomona	15,692	1
			San Dimas		
San Bernardino County		7	Los Angeles County		7

SECTION 7. That each City which becomes a participating member of the Association shall select its own representative(s) from the Council to serve as a Director at the time it approves its joining the Association;

SECTION 8. That the first meeting of the Directors shall be on March 1, 1974, at 3:00 p.m. at a place yet to be designated;

SECTION 9. That the first meeting of the Directors shall be to:

- a. appoint a Chairman and Vice-Chairman
- b. appoint an Executive Officer

- c. approve a proposed six month operating budget from grant funds
- d. authorize application for consortium grants
- e. approve implementation of the area-wide recommendations regarding abandoned housing; and
- f. establish the goals and objectives of the Association which are to be accomplished for the first six months;

SECTION 10. That on March 3 to 5, 1974, the Association Directors, Executive Officer, and other interested personnel may wish to meet with various Federal officials in conjunction with the National League of Cities-U. S. Conference of Mayors Congressional-City Conference;

SECTION 11. Upon certification of adoption of this resolution by the City Clerk, a copy shall be delivered immediately to Mr. Charles Bader, Acting Chairman, Valley Association of Cities, at the Administrative Offices, Pomona City Hall, 505 South Garey Avenue, Pomona, California.

SECTION 12. The City Clerk shall certify to the adoption of this resolution and it shall thereupon be in full force and effect.

APPROVED AND PASSED this _____ day of _____, 1974.

THE CITY OF _____

ATTEST:

By _____
Mayor

City Clerk

APPROVED AS TO FORM:

City Attorney

U.C. BERKELEY LIBRARIES



C124882530

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

FEB 16 2024

UNIVERSITY OF CALIFORNIA

